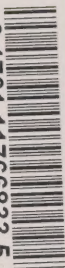


CAI  
L 260  
-50R21

Government  
Publications

3 1761 11766833 5



Gov.Doc  
Can  
B

Canada. Board of Conciliation and  
Investigation

Report of Board in dispute be-  
tween Canadian National Railways,  
Canadian Pacific Railway Company,  
Ontario Northland Railway, and  
Toronto, Hamilton and Buffalo  
Railway Company, and Order of  
Railroad Telegraphers ...

dispute between C.N.R., C.P.R., and O.N.R. and  
Railroad Telegraphers...



CAI  
L 60  
50R21

**Government  
Publications**



Digitized by the Internet Archive  
in 2022 with funding from  
University of Toronto

Can. Doc  
Can  
B

Canada, Board of Conciliation and  
Investigation

Board, William A. Johnston, K.C.,  
Winnipeg, and A. J. Wickens, K.C., Moose  
Jaw, who had previously been appointed  
on the nominations of the company and  
union, respectively.

### Conciliation Board Reports Received

1. On April 12, 1950, the Minister of  
Labour received the majority and minority  
reports of the Board of Conciliation and  
Investigation appointed to deal with the  
dispute between the Canadian National  
Railways, the Canadian Pacific Railway  
Company, the Ontario Northland Railway,  
and the Toronto, Hamilton and Buffalo  
Railway Company, on the employers' side,  
and a group of twelve international railway  
labour organizations (L.G., Feb., 1950,

p. 203). The texts of the reports of the  
Board are reproduced below.

2. On April 12, 1950, the Minister of  
Labour received the majority and minority  
reports of the Board of Conciliation and  
Investigation appointed to deal with the  
dispute between the Canadian National  
Railways, the Canadian Pacific Railway  
Company, and the Ontario Northland Rail-  
way, on the employers' side, and the Cana-  
dian Brotherhood of Railway Employees  
and Other Transport Workers and the  
Brotherhood of Express Employees (L.G.,  
Feb., 1950, p. 203). The texts of the reports  
of the Board are reproduced below, with  
deletions of certain portions of the  
majority report where the language of that  
report corresponds with the language of  
the majority report in the dispute affect-  
ing the international unions.

### REPORT OF BOARD in dispute between

Canadian National Railways, Canadian Pacific Railway Company,  
Ontario Northland Railway, and Toronto, Hamilton and Buffalo  
Railway Company,  
and

Order of Railroad Telegraphers; Brotherhood of Maintenance  
of Way Employees; Brotherhood of Railway and Steamship  
Clerks, Freight Handlers, Express and Station Employees; Divi-  
sion No. 4, Railway Employees' Department, A.F. of L.; Cana-  
dian National Railway System Federation No. 11; Canadian  
Pacific Railway System Federation No. 125; International  
Brotherhood of Firemen and Oilers, Steam Plant Employees,  
Roundhouse and Railway Shop Labourers; International  
Brotherhood of Electrical Workers; International Brotherhood  
of Blacksmiths, Drop Forgers and Helpers; Commercial Tele-  
graphers' Union; Brotherhood of Railway Signalmen of America;  
and Hotel and Restaurant Employees and Bartenders' Interna-  
tional Union.

Hon. HUMPHREY MITCHELL,  
Minister of Labour,  
Ottawa, Ontario.

SIR:

1. The Board of Conciliation and Investi-  
gation established in the above matter and  
composed of the Hon. Mr. Justice J. O.  
Wilson, of Vancouver, Chairman; Mr. A. J.  
Wickens, K.C., of Moose Jaw, nominated by  
the employees; and Mr. Isaac Pitblado,  
K.C., of Winnipeg, nominated by the rail-  
ways; held its first public hearing in the  
Windsor Hotel, in the City of Montreal,  
on the 10th day of January, 1950. After  
hearing the parties for some time, the  
public hearings were adjourned until the  
27th day of February, 1950, at the same  
place, and the Board has been practically  
in continued session since that date, the  
public hearings having ended on the 10th  
day of March, 1950.

On April 12, 1950, the Minister of  
Labour received the report of the  
Board of Conciliation and Investigation  
appointed to deal with the dispute  
between the Canadian National Rail-  
ways, the Canadian Pacific Railway  
Company, the Ontario Northland Rail-  
way, and the Toronto, Hamilton and  
Buffalo Railway Company, and twelve  
international railway labour organiza-  
tions (L.G., Dec., 1949, p. 1554).

The Board was composed of the Hon.  
Mr. Justice J. O. Wilson, Vancouver,  
B.C., Chairman; Mr. Isaac Pitblado,  
K.C., Winnipeg, Man., member appointed  
on the nomination of the companies;  
and Mr. A. J. Wickens, K.C., Moose  
Jaw, Sask., member appointed on the  
nomination of the unions.

The text of the Board's report is repro-  
duced herewith.

2. The employees were represented by:—

F. H. Hall, Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees.

G. R. Pawson, Deputy President, Commercial Telegraphers' Union.

E. L. Oliver, Statistician.

H. Smith, Division No. 4, A.F. of L. (President).

W. H. Phillips, The Order of Railroad Telegraphers.

J. T. Galloway, International Brotherhood of Blacksmiths, Drop Forgers and Helpers.

Sam Finlay, International Brotherhood of Boilermakers, Iron Shipbuilders and Helpers of America.

H. A. Stockdale, Brotherhood of Railroad Signalmen of America.

Willie Lebeau, International Brotherhood of Firemen and Oilers.

G. Schollie, International Association of Machinists.

Joseph Connolly, United Association of Journeymen and Apprentices of Plumbing and Pipe Fitting Industry of the United States and Canada.

W. Aspinall, Brotherhood of Maintenance of Way Employees.

R. Y. Menary, International Moulders and Foundry Workers' Union of North America.

Robert Hewitt, Brotherhood of Railway Carmen of America.

Roy Westguard, International Brotherhood of Electrical Workers.

A. E. Payne, Sheet Metal Workers' International Association.

E. Schofield, Hotel and Restaurant Employees and Bartenders' International Union.

3. The Railway Companies were represented by:—

#### *Canadian National*

R. C. Johnston, Asst. Vice-President Personnel.

P. E. Ayrrhart, Manager, Labour Relations.

#### *Canadian Pacific*

D. I. McNeill, Vice-President Personnel.

J. R. Kimpton, Asst. Vice-President Personnel.

S. M. Gossage, Asst. Manager of Personnel.

#### *Ontario Northland*

A. Freeman, General Manager.

S. W. Gowan, Secretary.

#### *Toronto, Hamilton and Buffalo*

W. J. Warnick, Asst. to President.

A. E. Cook, Personnel Representative.

4. Very able presentations, both oral and written, were made by both sides, and, after such presentations, the members of the

Board made repeated endeavours to see if some agreement could be reached between the parties but regret to state that nothing along that line was accomplished. It is therefore necessary for the Board to report to you its findings and recommendations.

5. Mr. A. J. Wickens, K.C., a member of this Board, does not concur in those findings and recommendations and is filing a separate report.

6. We may add that the proceedings were marked throughout by the best of good feeling on both sides, and it was a pleasure to note the mutual respect and regard which the representatives of the parties to the dispute have for each other.

#### *Employees' Requests*

7. Fifteen standard international labour organizations were represented before the Board. They requested that the agreements between these organizations and the railways of Canada (which agreements we are informed number about 86) be so changed as (a) to increase basic rates of pay for all employees covered by the agreements by seven cents an hour, and (b) to establish a five-day forty-hour week with the same take home pay as for a forty-eight hour week. The details of these requests are given later.

8. The employees affected form a large part of what is known as the non-operating group of employees of the railways as distinct from those employees who actually run the trains such as enginemen, firemen, conductors, trainmen and yardmen. These non-operating employees comprise some fifty distinct occupational classifications of workers running from office boys and clerks to mechanics, machinists, sectionmen, station agents and telegraph operators.

9. Approximately 86,000 employees of the Canadian National and Canadian Pacific Railways and a much lesser number of employees of the other two railways named are represented by the organizations before this Board, but it is to be noted that another Conciliation Board is, concurrently with this Board, considering an application by organizations representing other groups of non-operating employees (numbering over 30,000) of the said railways, in which application a similar request for a five-day forty-hour week with the same take home pay is made, with a request for an increase of ten cents per hour in basic rates of pay, so that there are over 116,000 employees actually represented before the two Boards. But if the Railways apply any increased pay or changes in working hours to other unorganized staffs, as they have done in the past, the number of employees of the

Canadian National and Canadian Pacific Railways who will actually be affected is approximately 139,000.

10. The Railways have pointed out that the employees represented before this Board comprise about 48 per cent of the total number of their employees, and that the employees represented before the other Conciliation Board comprise about 17 per cent of such total number, making altogether 65 per cent of their total employees. It can therefore be seen that any settlement of the disputes affecting so large a proportion of railway employees must inevitably exert a profound influence on the terms of employment of all railway employees.

11. Before considering the reasons adduced on the part of the employees for the increased pay and shorter hours asked for it is well to bear in mind that, effective on the 1st March, 1948, an increase of seventeen cents per hour "across the board" was granted to all railway employees in Canada.

12. On the standard 48-hour week that increase amounted to \$35.36 per month. On the same basis the total increase since 1939 in basic rates of pay of 43 cents per hour gave a total monthly increase of \$88.57.

13. Although the employees' demands for an increase of 7 cents per hour in pay, and for the 5-day 40-hour week are presented separately, we find it impossible to deal with them separately. To do so would be to ignore the cost of the 5-day 40-hour week. The two proposals, and their implications, must be considered together. The proposals are as follows:—

"1. Effective July 17, 1949, rates of pay shall be increased in the amount of seven (7¢) cents per hour applied so as to give effect to this increase in pay irrespective of the method of payment.

"2. There will be established, effective September 1, 1949, for all employees, a work week of forty hours consisting of five days of eight hours each with two consecutive days off in each seven; the work weeks may be staggered in accordance with operational requirements; so far as practicable the days off shall be Saturday and Sunday.

"3. The adjustment to a work week with a maximum of forty straight time hours shall be made without reducing the amount to be paid for forty straight time hours below the compensation now paid for a forty-eight hour straight time work week. With respect to monthly, weekly, or daily-rated positions, or those paid on any other basis, the monthly, weekly, daily or other basis of payment shall be preserved, and a rate shall be established to give effect in

those positions to the adjustments requested in the foregoing paragraphs by preserving forty-eight hours' pay for forty hours' service, which will be the basic work week, and new basic rates will be established in accordance therewith. Service on any day in excess of eight hours (exclusive of the two consecutive days off) shall be paid for at overtime rates; but not less than time and a half. Service on the two consecutive days off, for eight consecutive hours shall be at overtime rates but not less than time and a half. Service in excess thereof shall be paid for under the call and/or overtime rules of the agreements now in effect governing working conditions at overtime rates but not less than time and a half.

"4. When any of the statutory holidays for which punitive rates of pay are established fall on the employees' assigned days off, the following day shall be recognized and paid for as the holiday.

"5. The adjustments requested herein shall not modify rules or practices now in effect which are more favourable to the employees."

14. It will be noted that the proposals of the men are that there should be two consecutive days off each week, their request being for "a work week of forty hours consisting of five days of eight hours each with two consecutive days off in each seven; the work weeks may be staggered in accordance with operational requirements; so far as practicable the days off shall be Saturday and Sunday."

15. It will further be noted that there is an ambiguity in the wording of these proposals. The 7 cents increase is to be effective July 17, 1949, the 40-hour week at a later date, September 1, 1949. This would mean that when the 40-hour week came into effect, the wages would already have been increased by 7 cents per hour. But the proposal goes on to stipulate that when the 40-hour week is introduced it shall be done "without reducing the amount to be paid for forty straight time hours below the compensation now paid for a 48-hour straight time week." The word "now" creates the ambiguity. Literally interpreted this would mean that the rate of pay to be used in calculating the 48 hours pay to be given for the 40-hour week would not include the seven cents raise previously granted. We feel that this was not the intention of the unions, and have made our calculations accordingly; that is on the basis that the "take home pay" to be maintained is to include the 7 cents per hour increase.

16. If the 7 cent raise in hourly pay did not precede, but was coincidental with the

introduction of the proposed 40-hour week, the total increases in hourly rates consequent upon the granting of the unions' proposals would be slightly less. The difference would be so small as to be unimportant for the purpose of the calculations hereafter made.

17. The effect, in terms of wage rates, of granting these requests depends on the wage level that has been achieved at the time they are granted. If the wage level is low, the proposals can be implemented without throwing the general Canadian wage structure out of balance. If, on the other hand, the wage level, expressed in terms of hourly earnings, is already a fair one, the effect must be otherwise.

18. This can best be illustrated by comparing the present situation in Canada with that which existed in the United States in the Fall of 1948 when a Presidential Emergency Board recommended for United States non-operating railway employees exactly what is asked for here; that is, an immediate increase in pay of 7 cents per hour for all employees, and, at a later date, the institution of a 5-day, 40-hour week, with pay for 48 hours per week.

19. Before this recommendation was brought into effect, the rates of hourly earnings of United States non-operating railway employees were demonstrably out of line with those of workers in other industries which the Presidential Board thought comparable. Without going into detail, it can be said that in October, 1948 those railway employees worked an average of 49.1 hours per week for take home pay of about \$60 (\$1.21 per hour). At the same date workers in durable goods manufacturing, and in another group of industries which the Presidential Board selected as comparable, worked an average of 40 hours per week for the same take home pay of about \$60 per week (\$1.45 to \$1.50 per hour). Admitting the comparability of the industries, it was obvious that the railwaymen suffered an inequity. The Presidential Board rectified this inequity by first raising wages 7 cents per hour, and by recommending a 40-hour work week with the same take home pay to take effect 9 months later. When these things had been done, the hours of work and the hourly earnings of railworkers were about on a par with those of the two groups selected for comparison. Thus the 40-hour week had been achieved for railworkers without any dislocation of the general wage structure of the United States.

20. Such a result cannot be achieved in Canada. In October, 1949, the average weekly earnings of non-operating rail-

workers in Canada were \$48.13 for an average work week of 46.9 hours, being at the rate of \$1.026 per hour. The unions ask first for 7 cents additional pay per hour, and second, for 48 hours pay, at the new rate, for a 40-hour week. The effect on the earnings of the average railwayman, of granting both proposals, would be as follows:—

New average hourly earnings	
1.026 and .07—\$1.096	
New average weekly earnings	
1.096 x 48—\$52.60	
Average hourly rate if 40-hour week becomes effective	
\$52.60 ÷ 40—\$1.315	

21. After the change, if it were granted on the terms asked for by the unions, the average railwayman would work about 7 hours less per week and earn \$4.47 more per week. He would also have gained, in one stroke, an increase in his hourly earnings amounting to 29 cents per hour or 28 per cent over his former earnings, surely one of the most drastic general wage rate increases in Canadian labour history.

22. The wages paid and hours worked in durable manufacturing were used as a basis of comparison in the United States. Figures on wages paid and hours worked in durable manufacturing in Canada at December 1, 1949, were as follows:—

Average weekly earnings	\$46.66
Average hours worked	43
Average hourly earnings	\$1.085

23. The durable goods worker had, at December 1, 1949, an advantage of 5.9 cents per hour in earnings over the railworker. If the proposals of the unions were granted he would not only lose this advantage, but find himself earning 23 cents less per hour than the railworker. His take home pay, for a 43-hour week, would be \$46.66 while that of a railwayman, for a 40-hour week, would be \$52.60.

24. The durable goods groups earn more than the average Canadian factory worker, whose earnings at December 1, 1949, averaged 99.9 cents per hour. If the demands of the railworkers are acceded to, the gap between the pay of the railworker and the average factory employee will increase from 2.7 cents per hour to 31.6 cents per hour.

25. The variety of occupations in which non-operating railworkers are engaged is such that comparisons are difficult. However, such comparisons as are made should be with large groups, such as durable goods workers, which may also be expected to comprise a diversity of occupations and to include, as does the non-operating rail

group, skilled and unskilled workers. Comparisons with individual industries are of less value. Nevertheless, in order to point out the sweeping nature of the proposals made by the rail unions, it is interesting to compare the average hourly earnings for which they ask, \$1.315, with the average hourly earnings reported on page 7 of Man-Hours and Hourly Earnings at December 1, 1949, published by the Dominion Bureau of Statistics. It will be observed that compliance with the railworkers' requests would give them an hourly wage rate not only substantially higher than that of any group there listed, but higher than that of any individual industry there listed with the sole exception of coal mining. Such a result cannot be a proper one. No evidence was adduced before us to show that railwaymen are entitled to so great an advantage over other Canadian workers.

26. We have said that comparisons are difficult. We do not admit that they are impossible. The difficulty arises in part from the fact that certain classes of railway workers are *sui generis*, they have not their counterpart in other industries. But this is not the real obstacle to comparison. The true difficulty is that the membership of the unions runs across the scale of Canadian labour from such lowly paid occupations as services (average Canadian wage, December, 1949, 65 cents per hour) up to such highly responsible positions as that of train dispatchers, with commensurate pay. Between those two extremes there are numerous classes of railworkers which might be compared with classes doing similar work in other industries. For instance a decision as to the rate of pay and hours of work of a stenographer in a railway office should, in sense, be based on, among other things, a comparison with the rates of pay and hours of work of other stenographers. Such a comparison would show that the railway stenographer is, generally speaking, paid more than other stenographers. Other comparisons might show that railway employees in certain occupations were not so well treated as the general run of Canadians following the same occupations in other industries. But the problem created for us here by the union demands, and by the very nature of this vast group of unions, makes it impossible for us to consider separately each of the occupations involved. Indeed such a task would probably be beyond accomplishment by one Board within any reasonable time, and would require the attention of a number of Boards. Under these circumstances, we must do the best we can to

achieve justice for the average railworker, which may, and probably will, mean that some employees will receive more and others less than they deserve. This result is inevitable when it is sought to gain a general advantage for a great body of employees engaged in quite dissimilar forms of work at widely divergent rates of pay and with different working hours (of which we shall have more to say later).

27. Returning to the subject of wage scales in other Canadian industries, and leaving out of consideration those included in the durable goods group, which the United States Presidential Board selected as most readily comparable, and which we have already discussed, we proceed to make comparisons with some other leading Canadian industrial groups.

28. In making these comparisons it must be remembered that the incidental advantages enjoyed by railworkers are generally greater than those granted to other Canadian workers. Records show that the continuity of employment in the railroad industry is relatively high, which must have the effect of increasing average annual earnings. The employees have the benefit of pension plans. They and their families are entitled to a considerable measure of free transportation. Certain employees are given free housing and others free uniforms. In the aggregate these factors add considerably to the advantage of railway employment.

29. Pulp and paper, one of the most prosperous of Canadian industries, yielded, at December 1, 1949, average earnings of \$1.088 per hour to the employees.

30. Textiles paid an average wage of 80 cents. This industry is probably not fairly comparable because of the high percentage of women employed who generally receive, rightly or wrongly, less than men do.

31. Miners, the highest paid group, earned an average hourly wage rate of \$1.95. The payment of relatively high wages to miners, and particularly to coal miners, is not peculiar to Canada and is, presumably, a recognition of the dangerous and unpleasant nature of their work.

32. In local transportation, street and electric railways, the average wage was \$1.028 per hour.

33. Rubber products paid \$1.024 per hour.

34. Building construction paid \$1.092 per hour. This is an industry which resembles railroading in that it embraces highly skilled and highly paid persons as well as men on the level of common labour. It is also to a great extent, in Canada, a seasonal industry, so that the annual earn-

ings of the average worker would be appreciably less than those of the average railworker.

35. Highway construction paid only 86.6 cents per hour, a low average considering that it, too, is a seasonal trade.

36. Consideration of the wages earned by these, the largest groups of Canadian workers, convinces this Board that the proposals of the railworkers are unreasonable. To accept them must result in giving an unmerited preference to railworkers over all other Canadian workers. The continuance of such an advantage would be unfair to other workers. The inevitable result of such a great increase in rail wage scales must be attempts by other groups to achieve new standards. The disparities to be corrected would be so great that their rectification would result in an entirely new wage scale for the whole country.

37. We have, of course, had several general wage increases in Canada over the past ten years. The general effect has been beneficial to the workers although the benefit to them is not directly proportionate to the amount of the increase, because prices rise with wages. The increase in real wages has been much less than the increase in money wages. The increase now asked for by the railworkers is far too large and is sought at a time when the Canadian economy, while still far above pre-war levels, is experiencing serious difficulties because of the loss of export markets. This is not the time for a revolutionary upward revision of the wage scale.

38. In the consideration of increases of this magnitude in railway wage scales there is, besides the employers and the employees who conduct the negotiations, a third party, unheard at the council tables, whose rights must be weighed—the ordinary Canadian citizen. Higher rail wages mean higher freight rates and higher passenger fares throughout this country. Since this country is peculiarly dependent on rail transportation, these rates will result in higher prices for all goods consumed in this country. They will also affect the competitive position of the products of mines, farms and forests in the export market which supplies a great part of the living of our people. The granting of unduly high wages to railworkers will mean that while they receive more for their labour, many other persons will receive less. The export prices of a bushel of wheat, a ton of newsprint, or a case of fish are not elastic, and if the transport worker receives more than his fair share of the dollars for which these goods are sold then the farmer, the fisherman and the paperworker must receive less than

their fair share. This argument must not be utilized to unduly and unfairly depress the wages of railworkers. It is merely an additional reason for the exercise of care by this Board to ensure that railworkers shall not unfairly benefit at the expense of the general public.

39. In their argument the unions do not compare their present wage scale with prevailing wage scales in other Canadian industries. They do, however, make this comparison—they say that since 1939 the percentage of increase in rail wages has not been so large as it has in other Canadian wages. This is true, and the figures submitted by the unions appear to be correct. These figures show that the general Canadian wage rate is now 195.8 per cent of that prevailing in 1939, while the rail wage rate is 170.2 per cent of 1939 rail wage rates. The latter figure is subject to this qualification. In its computation there have been included wage rates for the running trades, whose unions are not parties to these proceedings. The rate of increase for the running trades since 1939 has been less than that of other railworkers (153.0%). Therefore the figure of 170.2 per cent would be larger if it covered only the non-operating employees; how much larger this Board cannot say.

40. The logic of the argument of the unions in citing these figures is that all wages should retain the same relative position they had in 1939, and that any advantage railworkers had in 1939 over other workers should be perpetuated.

41. The desire of a labour organization not to lose what one might call its economic ranking is perfectly understandable. But this Board does not think that the industry of this country is so static that it is possible to select any one year, be it 1939 or another year, and hold that there was established in that year a grading of labour values which must stand forever. It appears to the Board that, in a free society, relative wage standards of labour in different fields must change over periods of time. For instance, the loss in position which rail labour has sustained since 1939 may be due to several factors. A most important one is the increasing organization of labour in other industry which has taken place since 1939. In 1939 and for many years before, rail labour was fully organized and had reaped the benefits of organization and of capable union management in a relatively high wage scale. This was not true to anything like the same extent of other elements of Canadian labour. Unionization of employees has since proceeded at

a great pace and resulted in the rectification of inequities and the raising of wages.

42. Another factor which may, in a lesser degree, account for the disparity in the rate of increase is the maturity attained by Canadian manufacturing during and since the war. This has resulted in an increase in the proportion of skilled workers employed and a corresponding increase in rates of pay in manufacturing.

43. A third factor which has probably contributed to this result is the practice, during the war, of extending flat wage increases, based on rises in the cost of living, to Canadian workers. The effect of such across the board increases, as between different industrial groups, must be to benefit the lower paid groups by a larger percentage than the higher paid groups, such as railworkers.

### *Ability to pay*

44. The railways did not argue before us that ability to pay, or rather inability to pay, was a valid reason for refusing to grant railworkers reasonable wages or a reasonable work week. The Board agrees that the financial condition of the railways cannot be pleaded for the purpose of perpetuating any injustice to its employees. The Board agrees with the unions that railworkers must not be required to accept substandard wages or onerous working hours in order to underwrite railway deficits. If higher wages are deserved they must be paid, and the public must pay the cost. This does not, however, imply that enlightened labour should proceed to exact what it can in the way of wage increases without regard to the condition of the business which employs it. Under certain conditions a union may be well advised to accept a lesser wage, with continuity of employment, rather than to insist on a higher wage, which may threaten that continuity. The competitive position of the railways viz a viz truck and water competition must always be kept in mind by union leaders as well as by railway managers, with a view to insuring that rail transportation does not price itself out of the market. That this can be done has been, we think, pretty clearly demonstrated in the coal industry, both in the United States and Canada, during the past few years. The changeover from coal to cheaper and more reliable forms of fuel has assumed the proportions of a stampede.

45. We believe that railworkers must be fairly paid and fairly worked whether or not the railways earn a profit.

46. It is, however, notorious that the railways are not among the industries (and

there are many) which have prospered greatly in recent years. Their relative financial position is low. Under public regulation they could not take full advantage of the rising price level of the past five years, and the rise in rail rates has not kept pace with the rise in the price level.

47. Therefore, while they must still treat their employees fairly, we do not think that the financial position of the railways is such that they should be asked to embark on a novel and costly program as to both wages and hours of work, novel and costly in terms of all comparable Canadian employment. The economy of the railways is not such as to justify their selection as the laboratory for such a radical social experiment.

### *The cost of the 5-day 40-hour week*

48. There is a wide range of difference of opinion as to the cost to the railways of introducing the 5-day 40-hour week and 7 cents per hour pay increase.

49. The railways estimate the cost of granting it to this group of unions, and to the group included in the Canadian Brotherhood, whose wages and working conditions are currently under consideration by another Board, and to certain other groups whose pay and working conditions might have to conform to those of the two large union groups at \$84,147,000—the 7 cents pay increase would cost \$25,844,000—and the 40-hour week \$58,303,000.

50. We would assume that there is no dispute as to the cost of the 7 cent per hour increase. The unions vigorously deny that the 40-hour week will cost anything like so much as the railways claim it will.

51. The Presidential Emergency Board, whose report has already been referred to, estimated the cost of the 40-hour week in the United States at about 14 per cent of the total existing wage bill. The data upon which this estimate was made were meagre and, with respect, the estimate appears little better than an intelligent guess.

52. The unions have submitted certain evidence of the cost to the United States railways of the 40-hour week since its inception. If we were to accept this evidence as it is interpreted by the unions, we would conclude that the 40-hour week had cost United States railways nothing. The fact is, we think, that the shortened work week has been in effect for such a short time (since September, 1949) that it is quite impossible to draw any conclusions from the American experience. The steel and coal strikes in the United States have lessened traffic volume. The extent to which the railroads have effected savings

by curtailing services to the public and by neglecting necessary maintenance are unknown, and the effect on their revenues of such curtailment and neglect, if any, is unknown. Probably a year or so must elapse before facts will be recorded from which a valid conclusion may be drawn.

53. It is, of course, very strongly argued that the increased efficiency and productivity resulting from the shorter work week will in a large measure offset the curtailment of working hours—that employees will hereafter do in 5 days what they have previously required 6 days to do. Conceding that a longer rest period may result in an increase in productivity, the argument stated above still appears to be far-fetched. Furthermore there are a great many railway activities to which it is not applicable at all, because the jobs require that men be continuously on duty to serve the public, regardless of the volume of work they may perform during those hours of duty.

54. It is also argued that the railways, faced with the 5-day 40-hour week will, from their own inventiveness, find ways of adjusting themselves to it so as to eliminate most of the apparent cost; that the spur of necessity will stimulate efficiency and economy. There is, of course, something in this argument—ways will be found of mitigating, to some extent, the economic effect of the introduction of the new work week. But the prod of the spur of necessity is no new thing to Canadian railroads, they have felt it for some years, and it is not suggested by the unions that the railways have been extravagant or inefficient in their operations. There is, of course, always room for improvement, and further improvement is to be expected, but one would think that the field to be worked must already have lessened as the railways have fought to maintain their services out of dwindling revenues.

55. In this connection it has been pointed out by the unions that great improvements in efficiency have been achieved over the last twenty years so that, to put it in simplest terms, the production per man employed on the railways is now much greater than it was. This is perfectly true and the employees must not be denied their share of the credit for these improvements. On the other hand, it must surely be conceded that management also has had a large share in effecting these changes. In any event, let the credit fall where it may, the whole benefit of these economies has been reaped by the railworkers. This is very evident when it is realized that the proportion of the revenue dollar paid by

the railways to the railworkers in 1948 was 53 cents which is some 4½ cents more than the 23-year average. On this evidence it would appear that wages have not only absorbed all the savings that have been effected through an increased efficiency but have gone beyond that and taken an increasingly large share of the revenue dollar.

56. We do not pretend to be able to state the exact cost to the railways of acceding to the union proposals. We can only say that, although we think it will be somewhat less than the railways claim, it will still be very great.

### *The United States comparison*

57. It must at once be conceded that, as argued by the unions, the 40-hour week is the most usual standard in the United States. The Fair Labour Standards Act of 1938 made it a legal requirement in many industries, and it has been voluntarily adopted in many others, including the American railroad industry.

58. In Canada the only legislation comparable to the Fair Labour Standards Act are British Columbia and Saskatchewan statutes which impose a 44-hour work week in industry in those provinces.

59. It is also indisputable that rail wages in the United States are substantially higher than they are in Canada.

60. The unions have urged strongly before the Board that because the five-day, forty-hour week, has been adopted for non-operating railway employees in the United States, it should be adopted in Canada.

61. Considering the numerous able opinions that have been written in the past on this subject, this Board does not feel it necessary to expound at length its reasons for rejecting the theory that rail wages and working conditions in Canada must keep pace with rail wages and working conditions in the United States. In general we are content to adopt the reasoning of the conciliation board headed by Mr. Justice Cameron which in 1948 rejected this same contention. It is abundantly clear that wages of all workers, not only of railroad employees but of all classes of wage-earners, are higher in the United States than they are in Canada. The same is true of the salaries and earnings of executives and professional men in the two countries. The fact is that the United States possesses a richer and more mature economy than Canada and that, presently at any rate, our production is not such as to afford us so high a standard of living as there is in the United States. Under present conditions sensible Canadians will, as they must, accept

the fact that the earnings of the average Canadian are less than those of the average resident of the United States.

62. If international comparisons of wage levels are to be made, the rates of wages in other countries with less mature economies than that of the United States might be compared with those in Canada. Australia, New Zealand and South Africa are examples which spring to the mind. If these comparisons were made, it would, we think, be found that Canadian wage levels are a matter for pride. To select, as the only standard of comparison, the wages paid in what is admittedly the richest country in the world, does not appear to us to be sound.

63. We can appreciate that the interconnection of Canadian and American railways, the similarity of the work, the payment of United States scale wages to employees on United States owned railroads in Canada, and the payment of United States scale wages to employees on Canadian owned railroads in the United States—all these things must bring the wage disparity home to Canadian railworkers. But Canadian railworkers cannot expect preferential treatment. They must accept the same standards as do other Canadian citizens. A factory employee in Windsor has to accept the fact that his counterpart across the river in Detroit earns higher wages. The same difference runs through all levels of society. We can see no reason why railworkers should be selected as the one class in the Canadian social structure for whom this condition is to be changed, by raising their wages to the United States level. When the per capita wealth and productivity of Canada rise to the levels attained in the United States, railworkers will doubtless receive their due share of the new national income. Until that occurs, they must, like the rest of us, accept their due share of the present national income.

64. The adoption of a five-day, forty-hour week, with the maintenance of take-home pay would mean an increase of 20 per cent in wages, as the 48-hour week would be reduced to a 40-hour week, and therefore the same principle which applies to a comparison of wage rates in the United States and Canada applies with equal force to the reduction of weekly hours of work which would bring about increased wages.

#### *Australia and New Zealand*

65. We have not overlooked the arguments of the unions based upon "The hours of service in the British Commonwealth of Nations".

66. It is true that railworkers in Australia and New Zealand all have the 40-hour, 5-day week. But without some information as to their earnings this bare fact does not provide us with much guidance. It might well be that, given a choice, Canadian railworkers would prefer Canadian working hours with Canadian pay to Australian working hours with Australian pay. It does not appear that the 40-hour week is in effect on British railways.

#### *Social aspects of the 5-day 40-hour work week*

67. This Board does not want to appear to have disregarded the lengthy and able arguments of the unions in regard to the social desirability of the 5-day 40-hour week.

68. This Board has given due attention and weight to those arguments, but remains convinced that the present Canadian rail wage level is such that the granting to non-operating railwaymen of a 5-day 40-hour week upon the terms stipulated by the unions is not now practicable or equitable.

#### *The Canadian work week*

69. The 40-hour week is not in Canada, as it is in the United States, the normal work week. On the contrary, the evidence before the Board indicates that the 40-hour week is very rare in Canadian industry.

70. "Man Hours and Hourly Earnings" for December, 1949 (already referred to) shows that out of some 71 listings, which include both groups of industries and separate industries, there are only three industries in which the work week is 40 hours or less. These are Automobile Manufacturing (40 hours), Shoe Manufacturing (39-3), and Highway Construction (38-9). The number of workers in these three industries constitutes a very small proportion of the total number of Canadian workers.

71. The Board has not the facilities for working out, from the figures quoted, the weighted average of weekly hours for all Canada, but a superficial examination of the figures indicates that the average work week is much nearer to 44 than to 40 hours, and that a large number of Canadians work over 44 hours per week.

#### *Recommendations*

72. The inherent nature of the railroad industry makes the institution of a shortened work week more difficult and expensive than it is in most other industries. Railroad service must generally be carried on 7 days per week. Trains do not cease to move over the weekend, and large

numbers of men must work over the weekend to keep them moving and to perform the ancillary services necessary to their movement. A factory can be closed for two days with no loss other than the loss in the investment for those two days. A railway cannot be closed down for two days or for any period. The staggering of work hours, while useful, cannot overcome this difficulty and a shortened work week must, if service is to be maintained at present levels, result in a great additional cost to the railways.

73. Nevertheless this Board recognizes that the existing hours of work for railworkers are out of line with those generally prevailing in Canadian industry, and that the difficulty of instituting a shorter work week must not be allowed to result in an indefinite prolongation of this condition.

74. The Board thinks that a fair solution of the problem before it is the institution of a 44-hour work week on Canadian railways for non-operating employees, except those engaged in water transport and those hotel employees who are included in the terms of reference to this Board on the plan hereinafter set forth.

75. In introducing a 44-hour week service to the public should be maintained and the increased cost should be distributed as equitably as possible.

76. In order to explain the solution upon which the Board has decided, it is necessary to deal, in a general way, with present hours of work for various classes of railworkers.

77. There are many salaried or monthly-rated employees, most of them in office employment. With few exceptions, those workers are classified as working 8 hours per day for 6 days a week. Those are their contractual hours of work. But in practice a considerable percentage of them, with the consent of their employers, work shorter hours. One singular result of the continuance of this unreal classification has been that these workers have received, when across the board wage increases were granted, increased payment for hours in which they did no work. Thus, for instance, a clerk whose contractual hours of work are 48 but whose actual hours of work are 44 and who has, like all railworkers, received across the board increases totalling 43 cents per hour since 1939 is now being paid this increase for 4 hours in which he does no work, a sum of \$1.72 per week, or \$89.44 per year.

78. In general it can be said that monthly-rated workers, whether or not they do in

practice work 48 hours, are classified as working 48 hours per week. The majority of them still work 48 hours per week.

79. The group of workers which most greatly complicates the wage-hours pattern is that which mans the workshops where locomotives and rolling stock are cared for. These shopworkers are generally paid hourly wages and number amongst them skilled mechanics, their helpers, apprentices, labourers, and some clerical staff. They are divided into two classes. One class, some 25,000 in number, are generally known as the running shop workers and work 48 hours per week. The other class, the backshop workers, numbering 20,000, work 44 hours per week. The hourly rates of pay of both classes, and of the numerous grades within each class, are the same. Since the running shop workers work 48 hours, as against 44 hours for the backshop workers, their take-home pay is greater. If the running shop workers were granted a 44-hour week, with 48 hours pay, both their hourly rate of pay, and their weekly take-home pay would exceed that of the backshop workers, who do exactly the same type of work, and whose hours of work would then be the same. This result must be avoided.

80. With the exceptions already mentioned it can be said that railworkers, generally speaking, work and are paid for 48 hours per week.

81. Statistically the average work week of railworkers for October, 1949 was 46.9 hours (including overtime). In point of fact this figure is larger than it should be because, as already explained, certain monthly rated employees, who work less than 48 hours per week, are classified as working 48 hours. If they were classified according to the hours they actually work the average work week would be less and, incidentally, the average earning per hour would be greater than \$1.026, the figure used in these calculations.

82. The main reason why the average work week (46.9) is less than 48 hours is the fact that the backshop workers work only 44 hours.

83. In trying to work out an equitable method of instituting a 44-hour work week we must have in mind, among other objects, these two things:—

1. To avoid, so far as we can fairly do so, any substantial reduction in take-home pay.
2. To minimize, so far as we can fairly do so, the cost to the railways, and to see that, in any event, the rail wage bill for a 44-hour week is not greater than that now paid for the present work week.

84. Dealing first with this latter proposition, it might seem that this is an unnecessary precaution; that the change over to 44 hours with the same take-home pay cannot result in an increase in the wage bill, apart, of course from the general cost increase inevitably associated with a shorter work week. But this is to ignore the adjustment which must be made in the pay of the backshop workers. If other shop mechanics now working 48 hours are to be given a 44-hour week with the same take-home pay, their hourly rate of pay will rise from \$1.22 to \$1.33. But the backshop workers, doing the same work, could not be left earning \$1.22 per hour; their rate too would have to be raised to \$1.33, although there would have been no change in their work hours. Therefore the railways, after the change over, would not merely be paying to persons who had formerly worked 48 hours per week 48 hours pay for 44 hours work, they would, in addition, be paying to 20,000 of their employees, whose hours of work were unchanged, a straight wage increase. This increase in the case of mechanics would be 11 cents per hour, \$4.84 per man per week. Therefore the weekly wage bill would not remain the same, but would increase, and this apart altogether from the general cost of reducing the work week.

85. The terms on which this problem is presented to us prevent us from arriving at different solutions for different classes of employees or for different unions. We must find a formula which is capable of general application.

86. The average take-home pay of railworkers for October, 1949 (the last figure available) was \$48.13 per week. The average hours were 46.9 and the average hourly earnings were \$1.026. All these figures presumably include overtime, but that fact does not seriously affect their usefulness for present purposes.

87. If the average railworker is to receive the same average take-home pay for a 44-hour week as he received in October for an average week of 46.9 hours his new rate of pay will be as follows:—

$$\begin{aligned} 48.13 \div 44 &= 109.4 \text{ cents} \\ \text{Increase per hour} & \\ 109.4 - 102.6 &= 6.8 \text{ cents} \\ \text{Rate of increase} & \\ &= 6.63\% \end{aligned}$$

88. This figure of 6.63 per cent is, we think, the figure that must be used throughout. It is fair to the average employee. In its incidence it will apparently benefit the backshop men more than others. This cannot be helped. If the unions are, as we

believe they are, sincere in their desire to help one another, and to act collectively, then a result which is fair collectively should be acceptable to them.

89. Some typical results of the application of this formula are as follows:—

- (a) Backshop worker now working 44 hours per week at \$1.22 per hour.

Present take home pay for 44 hours \$53.68.

New rate of pay per hour \$1.22 x 1.0663 = \$1.3009.

New take home pay for same hours 44 x \$1.3009 = \$57.24.

Gain in wages \$3.56 per week.

Hours unchanged.

- (b) Running shop worker now working 48 hours per week at \$1.22 per hour.

Present take home pay for 48 hours 48 x 1.22 = \$58.56.

New rate of pay per hour 1.22 x 1.0663 = \$1.3009.

New take home pay for 44 hours 44 x 1.3009 = \$57.24.

Loss in wages \$1.32 per week (about 1 hour's pay).

Gain 4 hours less work.

- (c) Clerk, annual salary \$2,448.

Present hours per year (after allowing for Sundays and Holidays) 2,448 hours.

Present hourly rate \$1 per hour.

Present weekly take home pay

$$1.00 \times 2,448$$

52

$$= \$47.08.$$

1.0663 = \$1.0663.

New hours per year (44-hour week) 2,240 hours.

New weekly take home pay

$$1.0663 \times 2,240$$

52

$$= \$45.94.$$

Loss per week \$1.14.

90. The application of this formula should result in leaving the total amount to be paid by the railways to all the employees for the 44-hour week, the same as the total amount which they were previously paid for the present work week.

The benefits to the employees are:—

1. A shortened work week for the great majority;
2. A raise in take home pay for backshop workers;
3. Higher hourly rates which will result in higher overtime rates.

The loss to the railways is:—

1. The cost of providing necessary services and labour, at the new increased rate of pay, during 4 hours of each week;
2. A new and higher overtime rate.

91. The Presidential Emergency Board, already referred to, selected durable goods manufacturing as an industry comparable for wage fixing purposes to the railroad industry. We have obtained from the publication *Man Hours and Hourly Earnings*, the figures applicable to this industry in Canada at December 1, 1949, and we

give them below, with comparative figures which will apply in the railroad industry if the formula we suggest is adopted.

	Durable goods	Railways
Hourly earnings.....	108.5	109.4
Hours of work.....	43	44
Weekly take home pay.	46.66	48.13

92. It will be seen that the result is to give the railworker an advantage in rate of pay and weekly earnings over the worker in the durable goods industry, with a work week one hour longer.

93. Similar comparisons with any large group listed at page 7 of the publication *Man Hours and Hourly Earnings*, will show that if this formula is applied the railworker will have a favourable position in the Canadian labour picture.

94. There was some argument to the effect that an increase in wage scales was justified by the increase in the cost of living since 1948, when the last wage increase of 17 cents per hour was granted. The Board does not concede the validity of this argument because it does not know what relation the present wage bears to the cost of living, or what effect the cost of living had in producing the last wage increase. However, if there is any validity in this argument the increase in the rate of wages recommended by this Board is sufficient to care for any rise which has occurred in the cost of living.

95. The recommendation of the Board is that the work week of non-operating employees represented before the Board, except hotel and water transport employees, be reduced to 44 hours and that the said non-operating employees, except hotel and water transport employees, be paid for those 44 hours at the rate of 106.63 per cent of their present hourly rates of pay.

96. If the new work week with the new wage rates is acceptable to both parties, it will of course be necessary that there be negotiations between the parties as to the way in which the formula is to be applied generally, and subsequently the 86 individual agreements will require adjustments accordingly. During these negotiations the proposals of the railways hereinafter set forth as to changes in a number of the agreements should also be considered by the parties. All these negotiations will of course take some time. After they have been completed the various railway officials across Canada must be instructed as to the agreed methods of applying the shorter work week; and in due course there will probably be required a preparation of detailed work schedules, for all railway

employees concerned, in light of local requirements, with such variations in procedure as may be considered fair between the railways and the employees' local representatives. In addition to this the railways will require to line up such relief staffs as may be necessary and familiarize them with the work to be performed. Accordingly the Board suggests the 1st day of August, 1950, as the effective date of the new work week.

97. In general the 44-hour work week should allow an employee 1½ days continuous holiday in each week, preferably on Saturday afternoon and Sunday. Where, however, working conditions render this difficult, it might be arranged for an employee to work 11 days each two weeks, or to average days of work over a longer period. All these are matters to be considered when the parties meet for the purpose of making the changes in their agreements which will be necessary if the recommendations in this report are to be adopted.

98. It is the Board's conviction that the interests of the public demand that this reduction in weekly hours of work be made in such a way as to create the smallest burden possible on railway expenses while maintaining reasonable service to the public. To this end the parties should agree on necessary modifications of existing rules to keep the cost of replacements at a minimum and to enable existing positions to be filled where possible on five and a half day basis without replacement.

### ***Cost to the Canadian National and Canadian Pacific Railways of the 44-hour week***

99. It is impossible, of course, to estimate exactly the cost to the railways of the 44-hour week. Time alone will prove this. But, if it is assumed that, after the institution of the 44-hour week, the same total of man-hours must be worked in each year as are now worked, a rough calculation can be made.

100. The present average work week is 46.9 hours. The new work week is to be 44 hours, 2.9 hours less. The new average rate of pay recommended is \$1.094 per hour. The total number of employees represented before both Boards, according to railways exhibit No. 1, is 116,530. The cost formula for the year is therefore as follows, on the assumption made above:—

$$\$1.094 \times 2.9 \times 116,530 \times 52.$$

The result is \$19,224,560.06.

101. This is, as we have said, a rough estimate. It ignores economies which may be effected to lower the total number of

man-hours required. It also ignores the fact that the introduction of a 44-hour work week may necessitate the payment of a much larger percentage of overtime pay. These two factors may balance off, to some extent. At any rate, on the basis of the evidence before us, which related to the cost of a 40-hour week, and not to that of a 44-hour week, this is the nearest estimate we can reach.

### ***Re: Proposed change in holidays***

102. In the proposals made by the unions there is included a request for the establishment in each agreement of a rule providing that "when any of the statutory holidays for which punitive rates of pay are established fall on the employees' assigned days off, the following day shall be recognized and paid for as the holiday".

103. The proposed change as to holidays was coupled with the proposed introduction of the five-day forty-hour week, and the presentation which the employees made to the Board asked only that the change in the present rule "be extended to the two rest days which accompany the five-day week".

104. The Board has not been given any satisfactory reason why the rules in the present agreements relating to holidays should be altered at the present time, and calls attention to the fact that even in the United States where the five-day forty-hour week was put into effect, the following provision regarding holidays was contained in the agreement reached pursuant to the report of the President's Emergency Board:—

#### ***(d) Holidays.***

Existing provisions relating to pay for holidays shall remain unchanged.

### ***The railways proposal as to changes in agreements***

105. When the unions made to the railways the requests for changes in agreements which have been hereinbefore set forth, the railways replied suggesting a large number of individual changes in their agreements with twelve of the international organizations represented before this Board. The more important proposals were summarized under the following heads, namely:—

1. Modification of certain rules restricting the railways in the selection of men for supervisory grades and in the selection of new employees.
2. Modification of certain rules restricting the railways in the most efficient assignment of staff to the work to be performed and in adjusting staff to meet changes in traffic.

3. Reductions in penalty payments representing compensation for time not actually worked.
4. Introduction or expansion of scale of probationary rates for inexperienced employees.
5. Adjustments affecting individual wage rates.
6. Payment of reasonable rental for living quarters provided by railways.

106. One of the reasons given by the railways for their proposals was "the excessive rise in wage levels as compared with revenue earning capacity", and they pointed out that this was clearly "a situation where management must explore every avenue to place its operations on the most efficient basis possible and where impediments to efficiency resulting from burdensome penalty provisions that previously might be tolerated must now be eliminated."

107. The railways gave to the unions a detailed list of the various changes which they suggested should be made in the agreements. These proposals of the railways have never been discussed between the parties, and the railway companies have not urged that this Board should adjudicate on the merits of the individual questions raised by them.

108. These proposed changes are properly a matter for collective bargaining, and given a desire on both sides to reach a reasonable and fair solution, such solution should not prove too difficult. However, the railways have urged that if they are faced with a settlement between the parties which involves a shorter work week, the negotiation in good faith of the railways' proposals should form part of any final settlement of the matter. The Board feels that the public interest demands that the railways and their employees should consider most seriously such modifications of the agreements as, without working a hardship on the employees, will contribute to increased efficiency or eliminate expense not necessary or justified. If, therefore, the parties to the dispute accept the proposition of the Board in regard to a forty-four hour week, during the negotiations for the alteration of the respective agreements in that respect, the Board feels that the proposals of the railways as to changes in the agreements should also be considered.

109. If, on the other hand, the parties do not come to any agreement in regard to the shorter work week, then these proposals of the railways should be considered in due course on the merits by all the parties to the agreements.

## The hotels

110. As the result of a direction from the Minister of Labour, based on a recent decision of the judicial committee of the Privy Council, the Board was instructed to deal with the wages and hours of work of employees in Canadian National Railway's hotels, but not with those of employees in Canadian Pacific Railway hotels. In the result wages and working conditions of workers in Canadian National hotels are under Dominion jurisdiction, while in the Canadian Pacific hotels they come under the jurisdiction of the various provinces in which they are located. The result, while it may be legally unavoidable, is, because of the similarity of the hotels and of the problems involved, and the identity of the unions concerned, an awkward one.

111. The Canadian National Railways argue that, although the wages and working conditions of hotel employees are referred to us for consideration, along with the wages and working conditions of their other

employees, they should be considered separately, and that a separate ruling should be made in respect of them.

112. We think this is right. Hotel work has no connection with or comparability with railway work. The wages and working conditions of railway hotel employees are properly comparable with those of other hotel employees. The fact that a railway company, rather than another company, owns a hotel does not change its character or the nature of the various classes of work performed in it. To classify hotel employees as railworkers is entirely artificial. They have nothing to do with the operation of a railway.

113. We proceed on this basis to make a separate recommendation as to hotel employees. Statistics furnished us by the Department of Labour show an impressive disparity between the wages paid certain employees in railway hotels and those paid in other hotels selected by the Department as comparable. The figures are as follows (Table 18).

TABLE 18

Average Monthly Wage Rates (Including Value of Meals), for Selected Occupations in Railway Hotels as Compared with Other Hotels, Eastern and Western, 1947 and 1948

	Average wage rates per month <sup>1</sup>			
	Railway hotels		Other hotels <sup>4</sup>	
	1947	1948	1947	1948
	\$	\$	\$	\$
Dining room waitresses.				
Eastern <sup>2</sup> .....	99.53		76.73	
		134.05		90.89
Western <sup>3</sup> .....	105.26			
		140.59		
Cooks				
Eastern .....	172.67		183.66	
		206.69		202.38
Western .....	179.21			
		204.23		
Room clerks				
Eastern .....	193.68		153.30	
		226.69		169.10
Western .....	179.26			
		219.57		
Chambermaids				
Eastern .....	101.74		87.36	
		136.92		102.06
Western .....	104.32			
		139.53		

<sup>1</sup> Since wage reports for individual firms received by the Department of Labour are treated confidentially, rates for individual cities with only one railway hotel cannot be given separately. Rates are averaged, therefore, over the two areas using 1948 employment figures for reporting hotels as weights except for Calgary, where 1947 figures are used as weights for Dining Room Waitresses and Cooks.

<sup>2</sup> Eastern Area for Railway Hotels includes Halifax, Quebec, Toronto and Ottawa.

<sup>3</sup> Western Area for Railway Hotels includes Winnipeg, Regina, Edmonton, Calgary and Vancouver.

<sup>4</sup> "Other Hotels" used here for comparisons include one hotel (selected to provide as close comparability as possible under the circumstances with railway hotels) from each of the following cities: Sydney, St. John, Quebec, Ottawa (for room clerks and chambermaids only), Toronto, London and Niagara Falls. No Western hotels were thought to be at all comparable.

114. The correctness of these figures is not disputed, but their relevancy is attacked by the unions on two general grounds:

1. That the general standard of railway hotels is so high that there are no comparable hotels.
2. That, if there are comparable hotels, the footnotes to the table quoted show that comparable hotels were not selected for comparison.

115. It is quite true that in many Canadian cities the railway hotels are in a class of their own, and that other hotels are not on the same level. The footnotes to the table show that this has been recognized, and that an honest attempt has been made to accomplish fair comparisons. Furthermore, if the differences in rates of pay were discounted by as much as one-third, they would still be formidable.

116. Other undisputed figures submitted by the railways show that the average rate of pay per hour in CNR hotels in December, 1949 was 75.7 cents while that in other Canadian hotels was 58.7, a difference of 30 per cent. These figures do not include the value of meals and rooms furnished to certain classes of employees—nor do they include the not inconsiderable sums which, by a tacit agreement between hotels and their employees, are exacted from the public in the form of tips. These so-called gratuities are, as any experienced traveller knows, not a reward for special service but a requisite if one is to obtain normal service. In the case of certain classes of hotel employees, such as bell-boys, waiters, porters, bartenders and check room attendants these gratuities must be a very important item of income. If it were not for the existence of these factors the average wage rates quoted above would both appear to be low.

117. We have also been supplied by the CNR with tables showing specific rates of pay of employees in two CNR hotels, the Nova Scotian in Halifax and the McDonald in Edmonton. These wage scales appear to us to be generous for the classes of work described.

118. The union admits that the wages paid in railway hotels are higher than those paid in other hotels, but says that this difference is justified by the higher degree of competency required in railway hotels, which maintain superior standards of service.

119. The Board agrees that the railway hotels are of a quality above the Canadian average, and that this fact, while it will not require that railway hotel employees work harder than those in similar positions in other hotels, will probably require a higher degree of competency. But it appears to this Board that a wage

differential of 30 per cent is more than an adequate compensation for higher competency in the classes of work involved.

120. Furthermore the evidence shows that even in hotels selected by the Department of Labour as comparable to railway hotels the wages are much lower.

121. There is no evidence before us that the 40-hour week is in effect in any hotel in Canada.

122. Our recommendation in regard to CNR hotel employees is that their claim to a 7 cent per hour pay increase and to a 5-day 40-hour week be rejected. Further we consider that the level of wages in CNR hotels is so high that, if a 44-hour work week is to be introduced, the pay of the employees should be reduced accordingly. That is to say, their hourly rates of pay should be maintained, but their take home pay should be reduced by an amount representing 4 hours pay, if they had previously worked 48 hours, or a proportionately lesser sum, if they had previously worked less than 48 hours and more than 44.

#### *Water transportation employees*

123. We agree with the railways in their contention that the wages and working conditions of this small group have no relation to the general railway picture and ought to be considered separately, with reference to wages and working conditions of other seafaring personnel, rather than with reference to railway labour conditions.

124. We have heard no evidence, either from the unions or from the railways as to wages and hours of work of other ship personnel, or as to the conditions, that is the length of voyages, etc., that affect their employment.

125. We understand that the water transportation employees represented by these unions constitute only a small fraction of total crews employed by the railway companies, the great majority of the crews belonging to other unions.

126. In the circumstances, we do not feel that we have any evidence before us to justify our making a recommendation in regard to wages and hours of work of water transport employees.

#### *General*

127. It is our firm opinion that the recommendations herein contained embody the utmost in the way of concessions which the railways ought to be required to grant at this time.

128. The Board has some concluding observations to make arising out of the nature of the proceedings which it conducted.

129. There was no collective bargaining in the true sense of that phrase. There was a great deal of very effective argument, a thorough and careful marshalling of facts. But the parties remained protagonists and never assumed the role of negotiators. There was an obvious reluctance on both sides to concede any point for the purpose of arriving at a settlement. No middle ground was even discussed before the Board. The Board was treated as a forum and did not succeed in performing its functions of conciliation.

130. For this failure the Board may bear some responsibility, but it may be that the chief fault is inherent in the very nature of the task.

131. The negotiation between a national group of unions and a national group of railways of mass demands, such as were made here, presents a conciliation board with a very formidable problem.

132. There are eighty-six separate labour contracts between the unions here represented and the railways. Each contract is a code covering the wages and working conditions of a group of workers, and of grades within that group. It would be impossible to cover all relations between the railways and these groups of non-operating employees by one contract and yet, when revision is sought of contractual relations, the problem is approached as though there were only one contract.

133. In the result there is no real collective bargaining. In the present case the justice of the union demands in relation to separate classes of workers was never studied. It may be that the deserts of some of them were greater than others; that for instance, some groups deserved a substantial wage increase while others deserved none. It may well be that the onerous and unpleasant nature of the labour of some groups gave them a much better claim to a shorter work week than had other groups. It may be that the application of the shorter work week is economically practicable for some groups, but not immediately so for other groups, who might, however, be given other compensating advantages. None of these things was the subject of negotiation or discussion. They were not negotiated or discussed because the terms of the general demand required a general solution, not a series of particular solutions applicable to the particular problems involved.

134. Again, collective bargaining should involve a complete review of all the contractual relationships, with all terms open to discussion and revision, so that

there can be that elasticity, that give and take which is necessary to any kind of bargaining; the granting of a point in return for one gained. The negotiation of mass demands of this nature precludes that sort of true bargaining.

135. The railways in this case ask for modification of a great many of the terms of many of the existing eighty-six contracts. Such changes ought, in fairness and in sense, to be discussed along with the union demands, which are also essentially proposals for the modification of these contracts. It is perfectly legitimate bargaining practice for the railways to ask acceptance by the unions of changes they propose in exchange for their acceptance of changes proposed by the unions. But this sort of negotiation cannot be conducted on the scale attempted here; it would take any two negotiating bodies, and one Conciliation Board a year or more to complete the task of reviewing eighty-six contracts. In the result, for reasons of expediency, the consideration of the railways' proposals is postponed and the only subject to be discussed is whether the union demands are to be accepted, absolutely or in some modified form. There is no opportunity for the railways to ask for a *quid pro quo*, in the form of various alterations of the terms of the existing contracts. This is not true bilateral bargaining.

136. It is not suggested that this latter result is the product of any design on the part of the unions. It is just one of the inevitable results of mass bargaining.

137. Since, by the terms in which the problem is presented, real negotiation and bargaining is made difficult, if not impossible, there is no elasticity to the field in which a Conciliation Board can operate, and the proceedings tend to result, as here, in a stalemate.

138. This is not a new result where mass bargaining on a national scale is attempted. The same thing happened in the case of the last Conciliation Board appointed to consider rail problems. The same thing has happened repeatedly in the United States where bargaining on a nation-wide scale was attempted. The tendency, both here and in the United States, is to resolve by government action the stalemate created by the failure of the bargaining process.

139. These statements are not to be construed as a criticism of the organization of labour unions into large groups. This may well be an inevitable consequence of modern industrial trends. The Board has no criticism to make of anybody, and no

solution to suggest. What the Board has tried to do is to present, as objectively as possible, some of the practical defects of mass bargaining.

Respectfully submitted.

(Sgd.) J. O. WILSON,  
*Chairman.*

(Sgd.) I. PITBLADO,  
*Member.*

Dated at Montreal, 11th day of April, 1950.

## Minority Report

BOARD MEMBER

ALFRED J. WICKENS, K.C.

I feel I should first comment on the spirit of absolute goodwill and friendliness displayed at all times in Board meetings and private conferences by the parties to this dispute.

The men ask for a .07 cent an hour increase across the Board and a 5-day 40-hour week with no reduction in take home pay.

This report recommends the granting of the equivalent of .07 cent an hour increase as requested but with some adjustments in the application in order not to throw the lower wage rates out of balance. The details of the application can readily be worked out by the parties in their negotiations over the individual contracts. The companies requested revision of certain phrases in each contract but the parties agreed to deal with these by direct negotiation under each individual contract, and the application of the .07 cent an hour increase could conveniently be dealt with in those proceedings.

This report also recommends the institution of the 5-day 40-hour week with 48 hours' pay and with two consecutive days off applicable to all the classes of employees concerned and in order to give the companies time to make the necessary arrangements suggests that the application of the 5-day 40-hour week commence on the first day of June, A.D. 1950.

The companies requested that the steamships and the railways be dealt with separately; but there have been no substantial reasons advanced as to why that is necessary or advisable. It is recommended therefore that the employees of the steamships concerned in this conciliation and the employees of the Canadian National Hotels be included in these recommendations.

I feel the following observations should be made under the headings indicated.

## 7 cent an hour

### Cost of living

On the basis of the cost of living which is only one of the bases upon which an application for increased income should be and in this case is made, the men point out that statistics, and they quote them, show that there has been a greater increase in the cost of living in Canada since their last wage increase than the increase in wages represented by the .07 cent across the board advance for which they ask will amount to.

The figures which the Canadian Government compiles are readily available and need not be quoted here.

### Cost of proposals

The railways claim that to institute the five-day 40-hour week without reduction in take home pay would increase their wage rolls by a flat 20 per cent. That same claim was made by the American railways before the Presidential Board in the United States and the experience of the American roads as will be shown later on in this report entirely refutes it.

Without reference to the American experience it can be shown to be unsound by the following facts:—

1. Many of the employees concerned are already working approximately 40 hours but spread over six days.
2. Many of the offices and other services concerned can be closed down on Saturdays as well as Sundays so that there would be no increase of personnel or staggering of personnel required at all. All offices in fact, except those directly connected with operating, such as dispatchers, telegraphers, ticket agents and baggage men could be closed to the public on the extra day; even freight and express offices and sheds. The public would gladly accommodate their requirements to the absence of service on Saturday as readily and easily as they have done for Sunday, and consignors and consignees would arrange their shipments and deliveries accordingly as they now do to allow for Sunday.
3. Where continuous service is required there is already a system of relief men for one day a week and that could readily be extended to cover the two consecutive weekly days. At rare points where difficulties arose accumulation of the rest days could be made as in the United States.

The cost in the United States, forecast by the railways as 20 per cent of the wage bill, has been shown to be infinitesimal.

Employees exhibit No. 22 on page 1 quotes the President of the Illinois Central Railway as stating that experience indicated the cost would be negligible compared with previous expectations. He gave the

figures as experienced by his railway from the institution of the five-day week until the time of his statement as being \$35,000 a month or \$500,000 a year instead of the 14 million a year his company estimated in its presentation to the Fact Finding Board.

Pages 3, 4 and 5 of exhibit 22 show that in the three months of October, November and December, 1949 the rate of decrease in the number of employees in the non-operating classes on American class 1 steam railways in the United States to have been much greater than in any previous month in the year before the 5-day week was instituted.

On page 9 of that exhibit the employees have broken down the reports of the American class 1 steam railways into a table showing the effect upon the *ratio* of employees in the non-operating classes to traffic revenue on the basis of "Million revenue traffic units", comparing the year 1948 with the year 1949 month by month. In every month prior to the first of October, 1949 the ratio of increase of employees per million traffic revenue units was greater than in any month following the institution of the 5-day week with the exception of the month of October. In the month of December, 1949, the last month of which there is a record, the percentage of increase of employees per million revenue traffic units over the same month of 1948 was only 1.8 which is in startling contrast to the railways' forecast of 20 per cent.

The companies suggest, but produce no statistics, that these low figures are attributable to declining business; and claiming, but producing again no figures or evidential proof, that a lot of services and facilities at a lot of points have been curtailed and closed down, and that there is a great uproar of complaint from the public; but no evidence, not even newspaper reports, is produced.

I reject the companies' contention that declining business would decrease the employee ratio because it takes an irreducible minimum of employees to operate a railway and furnish the services; and business could increase up to the employees' capacity in many cases without requiring any additional help at all, and in most cases without requiring any substantial additional help caused by the 5-day week; so that operating at peak capacity it is self evident that the percentage ratio would decrease rather than increase. The progressive decline in the ratio could be readily explained by the greater facility acquired by experience, in economically and soundly working out the arrangements

required for the implementation of the 5-day week. Declining business would reduce the total number from its peak but not the ratio to million traffic units.

Not one figure was furnished on behalf of the railways to support their blanket contention dealing with the American experience, notwithstanding the fact that each major line operates some thousands of miles of railway in the United States under the 40-hour 5-day week requirement. There can be only one acceptable reason for the absence of these figures, and that is that they bear out the employees' contention.

The railways contend that however feasible the 5-day 40-hour week might be on railroads operating in the United States, Canadian economy and American economy, Canadian railways and American railways, are so different, that the American experience is of no value, and particularly that the Canadian economy could not stand the impact of the increased cost of this change; and they urge there is no basis whatever for comparison between working conditions and wages on American railways and Canadian railways.

Now, what is the historical record on this particular subject. Consulting tables furnished by the employees one can see that for many years wages and hours of labour on American and Canadian railways were identical.

The railways themselves in 1918 when an application was before the Canadian Railway War Board for wage increases, took the exact stand that the employees now take, namely:—that working conditions and wages on Canadian railways and American railways had always been the same and urged the Canadian Railway War Board to delay dealing with the then application of Canadian workers, until the McAdoo Commission appointed by the President of the United States to consider similar matters there, had made its award. This was done and the Canadian men were granted substantially the same concessions as the American men. On page 11 of the Employees' main brief is quoted at length a letter written by the Railway War Board to employees of that day outlining the position of the Canadian railways. It is not necessary to quote that letter nor the other matter on page 11 of the brief. It is there to be read if desired. But it is there made quite clear that the basis upon which it was considered proper to settle the then dispute was to grant to the Canadian workers identically the same concessions as the McAdoo award would give to American workers.

In the same year certain matters came up before the Canadian Privy Council dealing with railway workers and their wages and the Privy Council by Order 1768 of that year imposed upon the workers in Canada the same conditions as were awarded by the McAdoo award to workers in the United States.

On page 12 of the Employees' main brief is quoted part of a letter from Sir Henry Drayton, then Chairman of the Canadian Railway Commission, written to the then Acting Prime Minister, pointing out that the class of work is the same on the railways both sides of the line, that there is a great interchange of traffic with many employees working on both sides of the line and the different brotherhoods are international, pointing out also that in the past the wage scale had been practically identical in both countries, stating that the Canadian railways urged that no departure should be made from that practice at that time. The departure then requested was an increase in Canada.

Again in June of 1919 as set out on page 13 of the Employees' main brief, a request for wage advances was made and again the Canadian Railway War Board wrote to the workers concerned suggesting that further proceedings before their Board should be deferred until the result of negotiations in the United States was known. Again applying the principle that rates and conditions on both sides of the line should be the same.

It is quite apparent as set out in the Men's main brief in the pages following those referred to that until the outbreak of World War 2, except during the unsettled period of the depression, the onset of which and the course and intensity of which varied a little in the two countries, that same pattern has been followed; and not until this application have the companies taken the stand, completely reversing their former stand, that Canadian economy couldn't stand the impact of relating Canadian railway wages and working conditions to those in the United States.

At this self same time the same railways that are before this Board urging the inferiority of the Canadian economy to the American economy, are before the Turgeon Commission inquiring into railway rates, etc. in Canada, urging there "that since 1918 the Canadian economy has made the most spectacular advance ever known by any economy in history". I, as a patriotic Canadian, accept the representation made by the railways to the Turgeon Commission in preference to the gloomy view of our country's economy expressed in their

representations to this Board. Consequently for the purpose of this report it is obvious that no weight whatever can be given to the company's contention that the Canadian economy cannot stand the impact of the granting of the men's request. Could that position be sound the outstanding progress of which they boast to the Turgeon Commission is an astounding "progress", sinking from a state of equality in 1918 to one of such inferiority in 1950.

The United States' experience is not the only object lesson we have on the matter of the feasibility of the 40-hour 5-day week on railway systems. New Zealand has had a 40-hour 5-day week upon its railways since the year 1936. There has been no outcry of the curtailing of services, nor of the closing of stations in those 14 years. The continent of Australia has had the 5-day 40-hour week on its railways for several years and no complaints have been heard of in that respect. Nor have there been any complaints of excessive costs in either New Zealand or Australia.

It surely is not intended to be contended that the Canadian economy is also so much inferior to that of New Zealand and that of Australia that it cannot withstand the impact of the 40-hour 5-day week which those two economies have taken in their stride.

There was some suggestion that wages are lower in New Zealand and Australia which would make the cost of implementing the 5-day week less. Even if wages were lower in Australia and New Zealand it must surely be assumed that the ratio of wages to the general economy is the same and the impact on the economy would be the same.

Concluding on this particular phase, for the purposes of this report it is taken to be quite clear that that contention is unsound and that there is no reason evident why the Canadian economy cannot take in its stride the 5-day 40-hour week for the non-operating employees on its railways.

Just in passing it might be noted too that the Canadian railways by law are obliged to adopt the 5-day 40-hour week on all lines operated in the United States, and the American railways, which operate substantial mileages in Canada have applied the 5-day 40-hour week to Canada.

On further reference to the comparative wage scales in Canada and the United States, it was noted above that since the beginning of World War 2 the parallel between those two scales has disappeared, which can be readily understood and explained by the different times of entry

of the two nations into World War 2 and the imposition subsequently to these different times, of wage and price controls.

The workers are not asking at this time the full restoration in Canada of the American rates, notwithstanding that the railways in 1918 demanded that Canadian rates be not advanced beyond American rates. American rates by the fall of 1949 had advanced much more rapidly since the beginning of the war than Canadian rates, and the further advance then awarded by the institution of the 5-day 40-hour week and the across the board increase has further widened the gap. The reasonable position the workers take is that no such further widening of the gap should be permitted and this application could serve the purpose of halting that widening process.

A suggestion made which was described as a move in that direction, namely to reduce working hours from 48 hours a week to 44 would be practically of no value because large groups of employees concerned are already working 44 hours or less a week and will receive no benefit from such an arrangement and in addition all would still be required to work the morning of the 6th day. The important feature is that the employee will get two consecutive days off per week. The alternative suggestion is merely a slight reduction in weekly working hours for a limited number of people.

The companies contend that there is no general movement to the 5-day 40-hour week in Canadian industry but the statistics submitted by the men in exhibits 8 and 21 quite clearly establish not only a very substantial movement in that direction but actually a preponderance of substantial employers already operating on that basis.

Page 5 of exhibit 8 shows by provinces the establishments as of 1947 operating on a 5-day week to be 2,043 as against a 6-day week 2,296; number of employees therein on a 5-day week 296,181; on a 6-day week 280,296.

Page 12 as of October, 1948 shows 73 establishments on a 5-day week against 87 in the classes listed; employees numbering 7,805 against 8,358.

Page 14 as of October, 1948 in establishments employing over 2,000 workers shows a 5-day week 22 as against 11; employees 14,913 as against 9,131.

A chart on page 22 running from 1945 to 1948 shows a progressive growth in manufacturing and public utilities trade and service of the 5-day week.

Exhibit 21 gives recent examples of additions to the firms in Canada and the classes of employers in Canada who have switched to the 5-day week.

At the present time negotiations are in hand in the Hamilton area as appears by press dispatches involving some 13,500 workers in industries leading to a 5-day week.

It is also noted that the *Ottawa Journal* of March 28, 1950 announces that the Government organization, the National Research Council as of Saturday, April 1, 1950, has gone on a 5-day week the year round and the work week will be 38½ hours.

#### ***Comparisons working conditions with other industries and railways***

The exhibits referred to above bear out the contention of the men to establish, as they have done, the prevalence and growing application of the 5-day 40-hour week in Canada, and the elimination of the favourable wage differential heretofore held by the railway employees. The companies endeavour to show that railway wages are reasonably comparable to all other wages for the nearest similar work in Canada, but the information submitted by the men is much more impressive than the mere denial made by the companies.

Oddly enough the companies say that these comparisons have no value for the purpose of advocating the 5-day 40-hour week, because conditions are so different but have a value for wage comparison because they are so similar.

The companies contend that railway wage rates in the classes concerned should not be advanced beyond what they call "wage rates in comparable industries in Canada". The figures which have been submitted from the Dominion Bureau of Statistics as to such industries unfortunately include a large number of small establishments and include the wage rates of establishments wherein the men are not members of unions; and lose very much of their value even if such a comparison had any virtue.

The employees, dealing with the wage comparison do not contend that there is a wide disparity between railway wages and other wages at the present time but they do contend that until recent years there has been a substantial differential in favour of railway wages and this differential in recent years has gradually closed up so that today instead of railway wages being generally higher than other wages generally they are lower, especially compared with organized industries.

The employees' request is for the restoration of those favourable differentials.

Railway workers are contending with two very important conditions:—

1. The pressing time limit, and
2. The dependence of the safety of great numbers of human beings upon the accuracy and dependability of their work, requiring a higher degree of efficiency and responsibility in doing that class of work than in an employee doing more or less comparable work in any other industry; requiring a higher general standard of personnel and qualifications in the same general working classification on the part of the railway workers, justifying the employees' claim that railway workers should receive correspondingly higher rate of pay.

Most of the nearest comparable skills in other industries are specialized, that is the employee is limited to one routine operation which he does over and over again all day long day after day, whereas the railroad employee has got to be able to do anything within the range of the classification to which he belongs which may require to be done; and many of these highly skilled operators in factories would have to enter railway service as apprentices until they had acquired other skills necessary to discharge their duties.

These things all enter into the merits of the contention of the employees that the previously existing differentials in their favour should be restored.

In any case dealing with wages and working conditions it is not an answer to a request for improvement in wages and working conditions to point out, even if it be so, that the wages and working conditions existing are comparable to or even identical with those existing in other industries. To accept such a proposition would bring about absolute and final stagnation in all industries.

### ***Economic comparisons Canada and United States***

It was contended on behalf of the companies that Canadian economy cannot stand the granting of the men's application and they say conditions are so different in the United States that they bear no comparison with Canadian conditions and that we cannot do what they can do.

Surely no thinking or patriotic Canadian will accept the assertion that our economy and our conditions are inferior to those in the United States.

Faced with that argument by the railways the employees have submitted quite a number of tables and schedules to which it is not necessary to refer in detail in this report but to some of which some reference with some profit might be made.

Employees exhibit No. 18 deals quite broadly with that subject.

The railways contend one of the differences was because a good part of the Canadian traffic was export traffic. On page 1 of exhibit 18 the employees have taken the net national produce of each country, which is the gross national product of each country, less the exports from each country. In the table on that page 1 they show that in 1947 Canada's net national produce had increased 121 per cent over 1929, whereas the States had increased only 118 per cent; that the 1947 increase over 1937 was 148 per cent exactly the same as the States; and the 1947 increase over 1946 was 11 per cent exactly the same as in the United States. It is evident from that there is no inferiority in the Canadian economy nor in its progress.

On page 4 of exhibit 18 is a table showing the increase in the average yearly earnings in the classes of employees concerned in this dispute in Canada and the United States. In 1948 the American had increased 155.9 per cent over 1929, the Canadian 145.3 per cent.

On page 5 of exhibit 18 is shown a table giving the index of the percentage of increased total industrial production in Canada and the United States by monthly averages and in the month of October, 1949 the Canadian index of increase stood at 185.5 per cent and the American at 166 per cent.

On page 7 of exhibit 18 is an index of the increases of wholesale sales Canada and the United States; 1937 to 1948 annual increases; and 1949 January to September monthly increases. Again during the year 1949 the Canadian move has been sharply upwards, fluctuating at any time only slightly downwards. The September percentage figure being Canada 316.4, United States 292.3, whereas the January figure had been Canada 231, the United States 296.2.

Page 8 gives further index of percentage increases in general wholesale prices in the two countries 1926 to 1948 annual and 1949 January to October monthly. Again the same trend is apparent, although the Canadian figure during 1949 had held fairly steadily but swerving upwards in the last few months whereas the American has declined fairly steadily right to the end.

Those figures show a much healthier state in the Canadian economy than in the American economy.

It was suggested in the discussions that the Canadian economy cannot stand the impact of this wage increase and the 5-day 40-hour week. That, this report points out, is simply another way of saying the employers haven't the ability to pay.

### **Ability to pay**

This is a point raised by the railways, and as pointed out above, includes all questions of any impact on the Canadian economy. While in matters of this kind ability to pay should not be a prime consideration nor even a substantial one, the companies have made a great deal of it; but their own published statements do not bear out their position. The reason for referring to this contention in this report is to point out this one outstanding irrefutable historic fact; there has never in all the history of labour relations been an application for any substantial redress by any substantial body of employees that has not been met by the blanket statement that the employer whoever he was, couldn't meet the requests and stay in business.

At the risk of being prolix, I feel it should be mentioned that about 200 years ago when the practice existed of recruiting children of both sexes down to six years of age from Foundling homes in London to work in the mines in the Northern midlands, their work being to care for the pit ponies, where they were taken underground, stayed there for the rest of their lives, slept with the ponies, worked 16 hours a day 7 days a week; when a public outcry arose and Parliament proposed to do something about it there went up the same stock cry "if this is changed we cannot carry on".

The story continues unbroken, and early in the 19th century, the most terrific opposition was met when it was proposed to impose regulations upon factories requiring that no apprentice should work more than 12 hours a day, that the bedrooms of male and female apprentices should be separate, that not more than two should sleep in one bed. All these advances were beset on all sides with bitter opposition, and the statement it would bankrupt business. It is almost incredible that it was not until 1842 that Shaftesbury managed to procure the passage of an Act through the House of Commons "to prevent women being employed as *draft animals* in mines". These last two astonishing facts can be found on pages 257 and 258 of a very interesting book called "Discoveries in the Statute Book" by Fay.

While perhaps it is not the general thing to quote from a book of fiction in a matter of this kind it is my opinion that a large

part of the objection to the men's application is founded on fiction in that it is imaginary estimates as to what would happen, I can't resist making a quotation from Dickens' "The Old Curiosity Shop", from Chapter 1 of the 2nd book dealing with labour relations:—

... Coketown in the distance was suggestive of itself, though not a brick of it could be seen.

The wonder was, it was there at all. It had been ruined so often, that it was amazing how it had borne so many shocks. Surely there never was such fragile china-ware as that of which the millers of Coketown were made. Handle them never so lightly, and they fell to pieces with such ease, that you might suspect them of having been flawed before. They were ruined, when they were required to send labouring children to school; they were ruined when inspectors were appointed, to look into their works; they were ruined, when such inspectors considered it doubtful whether they were quite justified in chopping people up with their machinery; they were utterly undone, when it was hinted that perhaps they need not always make quite so much smoke. . . . . another prevalent fiction was very popular there. It took the form of a threat. Whenever a Coketowner felt he was ill-used—that is to say, whenever he was not left entirely alone, and it was proposed to hold him accountable for the consequences of any of his acts—he was sure to come out with the awful menace, that he would "sooner pitch his property into the Atlantic". This had terrified the Home Secretary within an inch of his life, on several occasions.

However, the Coketowners were patriotic after all, that they never had pitched their property into the Atlantic, yet, but, on the contrary, had been kind enough to take mighty good care of it. So there it was, in the haze yonder; and it increased and multiplied.

These things illustrate perfectly the entire course of labour and employee negotiations. I have never heard of an application for wage increases or improvement of working conditions that the blanket statement has not been "it can't be done".

Even if the companies' contention they cannot pay the costs of the requests the employees were correct, which this report does not concede, it is a well established practice that that is not an important consideration, if a consideration at all, in dealing with working conditions and wages. While no proof of that is really required it might be convenient to quote a few items from employees' exhibit No. 20.

On page 6 quoting from a statement from the Hon. William H. Taft before the Federal Electric Railways Commission in 1939:—

Therefore we refuse flatly from the first to consider the financial condition of any company in determining the rate of wages.

Again on page 17 quoting from report and recommendations of a Fact Finding Board *re* Western Union Telegraph Company, August 29, 1946:—

Fourthly, in so far as ability to pay refers to the adequacy of railroad revenues without benefit of railway rate increases or of any forms of Government aid we have not accepted this standard as a limit upon the wage increases recommended by us.

On page 20 quoting from the unanimous report of the Conciliation Board on Vacations on Canadian railways 1947:—

*Nevertheless, the Board is convinced that these financial difficulties of railway management which periodically occur should not be permitted to obscure the force in the claims of the unions for annual paid vacations that will compare favourably with those prevalent in other great industries. It believes that the public of Canada will expect the railways to recognize such vacations. It therefore recommends that employees with one year's service should be entitled to six days' vacation with pay, that those of three years' service should be entitled to nine days and those of five years' to twelve days.*

These quotations just for the record.

Then, as in this case, the position taken was that a change couldn't be made because the employer couldn't afford it. I comment here upon a table compiled from the records of the Canadian Pacific Railway Company, one of the big railways concerned, from 1940 to 1949. A brief examination of this table shows that as between 1940 and 1949 the fixed charges of this company have been reduced from an annual \$26,186,000 to \$14,543,000. That at least would indicate a very substantial profit on operations during those years from which their bonded indebtedness has been reduced in that substantial manner. This considerable reduction in fixed charges produced a corresponding alteration in the ratio between gross income and net income.

In 1940 the gross income was 40 million odd, the net income 14 million odd. In 1949 the gross income was 44 million odd, and the net income 29 million odd. This shifting ratio between gross and net income produced by the fixed charges change also produces a marked change in the ratio of net income earned on common stock. In 1940 \$1.12 a share, representing 4.48 per cent on the par value; 1949 \$1.93 per share representing 7.72 per cent on par value; and this before the application of the recent increases granted in their tariff of rates.

Two final observations on this point:—

1. While it is no part of the reference to this Board to deal with railway tariffs, to an ordinary thinking person there certainly would seem to be no

justice nor any sense in requiring a railway any more than anybody else to pay for the services and materials it requires on the basis of an inflated currency and to accept payment for its services on the fiction of the assumption that the currency had remained at par.

2. The railways are called on on many occasions to furnish services in the national interest, such as the Crow's Nest Pass rates, competitive rates from the foot of the lakes to the Atlantic seaboard and so on; and the operation of non-productive lines for development purposes. Doubtless the fairer way to defray the costs of those concessions and operations would be by a Government subvention. Certainly by such a subvention rather than by passing the cost on to the employees, by taking them out of the van of industrial and social progress.

### ***Economic and moral effect of improving working conditions***

Apart from what I have said before there is an underlying general principle which transcends and should transcend all questions of contest between employers and employees; and that is "the value of human welfare".

It is most appropriate that at this juncture the Roman Catholic Episcopate of the Province of Quebec should have issued a pastoral letter recommending industrial reforms. The document referred to bears the august signatures of Archbishop Vachon, Archbishop Courchesne and Archbishop Roy. I quote the second recommendation contained in that letter:—

2. Legislation to give the labouring class the means to take its place in the community and to share in the benefits of progress and contemporary culture.

I could mention in this connection the serious problem of juvenile delinquency in the larger industrial centres; and I could mention too the threat of which we are made daily aware by our Government leaders and newspapers, of the aggressive infiltration of communists in the democratic countries.

Dealing with the pastoral letter recommendation how can a man working 5 days and part of a sixth have any time or energy to apply to the acquisition of the benefits of progress and contemporary culture or to engage in the activities requisite to take his place in his community.

Dealing with the matter of juvenile delinquency a father by the time he goes to and from his work six days a week is unable to be at home during the times when he could be a companion, an elder brother, and a guide, to his children; apart from being so tired that the energy is not there.

The son who would have Saturday to be a pal to his dad would not be found in bad company.

The worker who was working 8 hours a day for 5 days a week would not become weary to the point of carelessness and increase the hazards of his employment.

Someone must take leadership for the improvement of conditions in human affairs, and surely in all the Dominion of Canada there is no industry of any kind upon whom should fall the responsibility as well as the honour of furnishing such leadership, rather than the railway companies. The two major companies are the two most typically national industries in their scope and their character, and it is not an exaggeration to say that the whole country looks to them for leadership not only in industrial and technological progress; but in wages, working conditions and social progress.

This whole question rises above one of mere employee-employer relations.

It is a matter of vital national importance and it is one which has grave international implications in view of the state of world affairs.

Dealing with the ideological threat, the restrictions surrounding the totalitarian countries make it impossible for us to procure any authentic knowledge of conditions in them.

People advocating safe and sane measures are always at a disadvantage in competing with those advocating startling changes.

While the case remains one purely of advocacy, the only hope for the democratic case is by demonstration of its works; and from that angle alone no matter what the cost, which as pointed out above is not substantial, the institution universally in Canada of a 5-day 40-hour week would be there under every worker's nose as a complete and convincing answer to the theories of communists, by showing concretely how democracy works.

I quote again from the material submitted by the employees some very important statements made along the humanitarian line.

The first is from exhibit 9 on page 11 from the award of the Australian Commonwealth Court of Conciliation and Arbitration which reduced standard working hours in Australia to 40. Immediately preceding the quoted paragraph is reference to general conditions and other items. Then follows this paragraph:—

A formidable list, and to many minds an unanswerable one, but answers have been made and must be weighed—a wrong word perhaps since many of them are imponderables but at least they

must be considered, and adjudged. For example, how shall we estimate the economic value of industrial contentment? How shall we measure the human value of it? How far is the shorter week a step on the road to that co-operation of the forces of production which is so desirable? How shall we set the family aspects of this increased leisure against a foreign trade or the claims of our people against those of other countries? Yet all these are factors which do enter into the fabric of one's mind and ultimately issue forth in judgment.

While it isn't going to be quoted here employees' exhibit No. 12 could be read throughout with great application to this question of human well-being, particularly the observations of the late Mr. Henry Ford, who must be recognized as an authority on labour relations.

The value to Canada as a whole in social and human welfare; in the improvement of family life; in the reduction of juvenile delinquency; in the increased interest and influence of the employees in their community and national life by reason of the leisure in which to engage in these things, will make a contribution to Canadian national well-being and thereby to the well-being of the companies themselves out of all proportion to any extra cost which may be involved in meeting these requests.

Canada has justly asserted her right to a place amongst the foremost of the World's democratic nations. She has played fairy god-mother to many peoples who suffered more directly from the war than did she herself. It would be ironical and the height of national stupidity to refuse to do for our own people what we have paid so much to try to do for others.

There is no greater asset that any country and any company can have than a large body of well paid, industrious, happy, loyal people with a sufficient amount of leisure to be able to apply themselves to community and national service.

Our railway companies have always prided themselves upon being and been regarded generally as pioneers and leaders in the development and welfare field in Canada, and as far as the writer of this report is concerned it would be a matter of keen personal regret should the companies fail to accept this opportunity and challenge to further demonstrate the justice of these claims. I am convinced acceptance will be to the railways' own great benefit, as well as to the benefit of the employees and the national economy of Canada as a whole.

This situation faces us with one of the rare opportunities given to a democratic people to show to those who advocate a state-dominated people, whether it be called Communism or by any other name, the great advantage of living in a democracy as compared to an autocracy.

Just to call attention to the fact, it has been brought to my attention that the CPR in dieselizing the Great Lakes area have indicated that a reduction of 37½ per cent to 40 per cent of equipment maintenance staff will occur. It may be argued that the company is bearing the capital cost of the equipment which brings this about but it is surely unnecessary to argue in this day and age that the worker also is entitled to share in the benefits which accrue from equipment advances due to inventions and this can only be done by improved working conditions and increased wages.

It is unnecessary to go into detail in this report of the working out and application

of the 40-hour 5-day week because that is all gone into in thorough detail as applied to the United States railways in employees' exhibit 11, which contains as agenda following page 15, first, the full report of the emergency board under which the scheme was brought into effect in the United States, and then the agreement between the railways and the employees putting it into effect. In the main the provisions of this agreement could be adopted with such variations as the individual circumstances warranted in putting this report into effect on Canadian roads, and besides the Canadian railways have the advantage of nearly six months' experience on their American operated lines under that report and agreement as a guide in the application of the principle to the Canadian lines.

Dated and delivered this first day of April, A.D. 1950.

(Sgd.) ALFRED J. WICKENS, K.C.

## REPORT OF BOARD in dispute between

**Canadian National Railways, Canadian Pacific Railway Company and Ontario Northland Railway,**  
*and*

**Canadian Brotherhood of Railway Employees and Other Transport Workers and the Brotherhood of Express Employees.**

Hon. HUMPHREY MITCHELL,  
Minister of Labour,  
Ottawa, Ontario.

SIR:

The Board of Conciliation and Investigation established in the above matter and composed of the Hon. Mr. Justice J. O. Wilson, of Vancouver, Chairman; Mr. J. A. Coote, of Montreal, nominated by the employees; and Mr. T. R. Meighen, K.C., of Montreal, nominated by the railways; held a preliminary hearing, in the City of Montreal, on the 19th day of December, 1949, which was followed by a public hearing on the 12th day of January, 1950. After hearing the parties for some time, the public hearings were adjourned until the 28th day of February, 1950, at the same place, and the Board has been practically in continued session since that date, the public hearings having ended on the 7th day of March, 1950.

The employees were represented by:—

*Executive Officers from Union Headquarters:*

A. R. Mosher, National President, Canadian Brotherhood of Railway Employees and Other Transport Workers.

On April 12, 1950, the Minister of Labour received the report of the Board of Conciliation and Investigation appointed to deal with the dispute between the Canadian National Railways, the Canadian Pacific Railway Company and the Ontario Northland Railway, and the Canadian Brotherhood of Railway Employees and Other Transport Workers and the Brotherhood of Express Employees (L.G., Dec., 1949, p. 1554).

The Board was composed of the Hon. Mr. Justice J. O. Wilson, Vancouver, British Columbia, Chairman; Mr. T. R. Meighen, K.C., Montreal, member appointed on the nomination of the companies, and Mr. J. A. Coote, Montreal, member appointed on the nomination of the unions.

The text of the Board's report is reproduced herewith.

T. J. Clark, Grand President, Brotherhood of Express Employees.

J. E. McGuire, National Secretary-Treasurer, Canadian Brotherhood of Railway Employees and Other Transport Workers.

E. Robson, National Vice-President, Canadian Brotherhood of Railway Employees and Other Transport Workers.

*Joint Negotiating Committee:*

T. McGregor, Chairman  
S. H. Eighteen, Secretary  
F. H. Gillespie  
W. J. Smith  
J. Q. Querido  
D. N. Secord  
W. Munro.

*Research Department Technical*

*Advisers:*

Dr. E. A. Forsey  
A. Andras  
D. Dunbar  
Maurice Wright.

The railway companies were represented by:—

*Canadian National*

R. C. Johnston, Asst. Vice-President Personnel.  
P. E. Ayrhart, Manager, Labour Relations.

*Canadian Pacific*

D. I. McNeill, Vice-President Personnel.  
J. R. Kimpton, Asst. Vice-President Personnel.  
S. M. Gossage, Asst. Manager of Personnel.

*Ontario Northland*

A. E. Freeman, General Manager.  
S. W. Gowan, Secretary.

*Toronto, Hamilton and Buffalo*

W. J. Warnick, Asst. to President.  
A. E. Cook, Personnel Representative.

Very able presentations, both oral and written, were made by both sides, and, after such presentations, the members of the Board made repeated endeavours to see if some agreement could be reached between the parties but regret to state that nothing along that line was accomplished. It is therefore necessary for the Board to report to you its findings and recommendations.

Mr. J. A. Coote, a member of this Board, does not concur in those findings and recommendations and is filing a separate report.

We may add that the proceedings were marked throughout by the best of good feeling on both sides, and it was a pleasure to note the mutual respect and regard which the representatives of the parties to the dispute have for each other.

**Employees' Requests**

Two labour organizations were represented before the Board, namely: the Canadian Brotherhood of Railway Em-

ployees and Other Transport Workers, and the Brotherhood of Express Employees. In their brief, submitted to this Board, they have summarized their proposals as follows:—

"(a) A general wage increase of 10 cents per hour or the equivalent thereof in terms of daily, weekly, monthly or mileage rates, effective the dates specified in the respective notices given.

(b) A five-day work week with maximum of eight working hours per day with a 20 per cent increase in hourly and daily wage rates, and no reduction in monthly rates of pay; with the minor variations set forth in the Brotherhoods' notices to the railways.

(c) The check-off by the employers of regular monthly dues in the amounts required by the Brotherhoods' constitutions from all employees covered by their agreements and the remittance of such money to a duly authorized officer of each Brotherhood within thirty days from its collection.

The Brotherhoods have made it clear to the railways that the wage demand means 10 cents per hour on present hours and 20 per cent per hour when the five-day week goes into effect on the basis of hours so established, e.g. \$1 per hour will become \$1.10 per hour with the 10 cent increase and \$1.30 when the 20 per cent is added to maintain the same take home pay; \$200 per month will become \$220.80 with the 10 cent increase and \$216.93 with the advent of the five-day week."

The employees affected form part of what is known as the non-operating group of employees of the railways, as distinct from those employees who actually run the trains, such as enginemen, firemen, conductors, trainmen and yardmen. These non-operating employees comprise some fifty distinct occupational classifications of workers running from office boys and clerks to mechanics, machinists, sectionmen, station agents, telegraph operators, porters and dining-car employees. Those represented before this Board comprise principally clerks, freight handlers, shop labourers, express and cartage employees, sleeping and dining car department road service employees, unlicensed steamship personnel and hotel employees.

Over 30,000 employees of the railways are represented by the organizations before this Board, but it is to be noted that another Conciliation Board is, concurrently with this Board, considering an application by organizations representing other groups of non-operating employees numbering approximately 86,000, in which

application a similar request for a five-day forty-hour week with the same take home pay is made, with a request for an increase of 7 cents per hour in basic rates of pay, so that there are about 116,000 employees actually represented before the two Boards. But, if the railways apply any increase in pay or changes in working hours to other unorganized staff, as they have done in the past, the number of employees who will actually be affected is approximately 139,000.

The railways have pointed out that the employees represented before this Board comprise about 17 per cent of the total number of their employees, and that the employees represented before the other Conciliation Board comprise about 48 per cent of such total number, making altogether 65 per cent of their total employees. It can therefore be seen that any settlement of the disputes affecting so large a proportion of railway employees must inevitably exert a profound influence on the terms of employment of all railway employees.

We shall deal first with proposals (a) and (b) above leaving proposal (c) for separate treatment later.

Before considering the reasons adduced on the part of the employees for the increased pay and shorter hours asked for, it is well to bear in mind that, effective on March 1, 1948, an increase of 17 cents per hour "across-the-board" was granted to all railway employees in Canada.

On the standard 48-hour week that increase amounted to \$35.36 per month. On the same basis, the total increase since 1939 in basic rates of pay of 43 cents per hour gave a total monthly increase of \$88.57.

The Brotherhoods claim that their members are low paid and that their wages are low in comparison with those of other railway workers. The approach is largely a social one. It is not argued that, contrasting the classes of work done by the workers in different railway groups, it can be shown that the members of the Brotherhood group are not adequately paid for the tasks they perform. The argument is simply this—that whatever the nature of their tasks may be, the members of the Brotherhood are paid too little money to enable them to cope with modern living conditions—that from a social and humanitarian viewpoint they are entitled to be paid higher wages and ought, for the health of the state, as well as for their own good, to be paid higher wages.

This interesting argument is buttressed by references to a study by the Toronto

Welfare Council of the minimum living costs of a family of 5 in the City of Toronto in the year 1949, called "A guide to Family Spending in Toronto, 1949". This report expresses the opinion that \$49 per week is the minimum sum that such a family should have, and the Brotherhoods argue that other necessary costs not included in the Welfare Council's budget bring this minimum up to \$52.50 per week.

In support of this argument the Brotherhoods do not cite the average wage paid their members, but do cite the rates of pay of certain groups within their membership. It is thought by this Board that this method of argument has a certain apparent obliquity. The Brotherhoods do not ask for different results for different groups within their membership, based on the greater needs of one or more groups of their membership as contrasted with other groups. They ask for certain general advantages to be extended to all members. They ask, for instance, that the same increase in pay be made to sleeping and dining car employees, who, in the opinion of this Board, are already receiving generous rates of pay, as to clerks and labourers. The Board considers that an argument based on the rates of pay of clerks and labourers has no application to the rates of pay of the other classes of employees involved. If a mass benefit is desired, as here, the argument ought to be based on the average rate of pay. If it is sought to gain particular benefits for particular classes of employees within the Brotherhoods, based on necessity, then those claims should be made separately in respect of the classes who are alleged to be paid less than a living wage. The terms on which the problem is presented by the Brotherhoods prevent the Board from dealing with the deserts of individual groups, and restrict the Board to the consideration of the deserts of the members of the Brotherhood, as a whole.

However, taking the argument as presented, the Board proceeds to a consideration of some of the comparisons offered.

The first comparison is between average hourly wages in manufacturing on September 1, 1949 (98.5 cents per hour) and members of the Brotherhoods employed by the CNR described as "clerks and other classes". The appositeness of this comparison escapes us. If comparisons are to be made respecting the wages of clerks, it appears to us that the comparisons should be with the wages of other clerks, and not with those of manufacturing employees. A comparison of the average wage of all non-operating employees in the Brotherhood

with the average wage of all manufacturing employees might, as contrasting the earnings of two large diversified groups, have some usefulness, but that is not offered to us.

No evidence has been given us that railway clerks are ill paid as compared with

other Canadian clerks. On the contrary, the only comparisons put in evidence, those tendered by the railways (Exhibit No. 4) show that railway clerks are extremely well paid as compared with other clerks. The comparisons are so striking as to be worthy of citation.

Comparison of Male and Female Office and Other Occupation Rates of Pay Canadian National Railway vs. Survey Montreal Area, by Quebec Industrial Relations Institute, March, 1949

<i>Quebec Industrial Relations Institute Survey</i>	
Title	Rate (wtd. average)
Bookkeeper—Grade 1	\$237.00
Bookkeeper—Grade 2	182.00
Cashier	233.00
Calculating Machine Operator—Grade 2	116.00
Stenographer—Senior	171.00
Stenographer—Intermediate	152.00
File Clerk—Grade 1	166.00
Timekeeper—Grade 1	216.00
Timekeeper—Grade 2	176.00
General Clerk—Junior	130.00
Office Boy	85.00
Elevator Operator—Passenger	165.00
Key Punch Operator—Senior	178.00
Key Punch Operator—Intermediate	148.00
Key Punch Operator—Junior	131.00
Chauffeur	187.00

<i>Canadian National Railways</i>	
Title	Rate (wtd. average)
Assistant Accountant	\$273.57
Chief Collector (a)	248.57
Cashier	258.57
Comptometer Operator	193.57
Stenographer (a)	198.57
Stenographer (b)	193.57
File Clerk (b)	208.57
Timekeeper	238.57
Asst. Timekeeper	218.57
Clerk (b) (Probationary)	153.57
Office Boy (under 21 yrs.)	111.56
Messengers (b) (over 21 yrs.)	123.21
Sorters (under 21 yrs.)	129.32
Sorters (over 21 yrs.)	138.21
Elevator Operator (c)	183.57
Key Punch Operator (a)	188.57—193.57 (over 4 yrs.)
Key Punch Operator (a)	178.57—183.57 (2 to 3 yrs.)
Key Punch Operator (a)	163.36—169.28 (less than 2 yrs.)
Chauffeur (d)	208.57

NOTE: All positions are in Bonaventure Freight Office except as shown:—

- (a) Revenue Accounting Department.
- (b) Operating Department.
- (c) Central Station.
- (d) Stores Department.

The next comparison is one of the wages of hotel employees with those of factory workers. Again we ask why the wages of hotel employees should be compared with those of factory workers rather than with those of other hotel employees. In comparison with other Canadian hotel workers Canadian railway hotel workers are paid generous wages. This statement will be amplified later.

The Brotherhoods' brief goes on to cite the rates of pay for common labour in certain selected Canadian industries, and to compare them with the railway wage rate for common labour, which is given as 85 cents. As a matter of fact, the correct weighted average rate for common labour on the railways is somewhat higher. The instances cited for other employment show common labour rates much higher than 85 cents. But they are selected rates in certain industries in certain localities and do not reflect the average Canadian rate for common labour. The railways operate all across Canada and are required by this fact, as well as by the nature of the demands made on them by trades unions, to pay the same wage rates in each locality. Therefore the standard of pay for common labour they ought to conform to is the Canadian standard, and not a local or particular standard. The Canadian average for 1948, as shown in the Annual Report of Wage Rates and Hours of Labour in Canada for 1948, was 82 cents per hour. The railways concede that this will, in 1949, have risen to 87 cents per hour. This is the true standard of comparison for a national industry. It shows, if the figure of 85 cents per hour for common labour on the railways is accepted as accurate, a slight disparity which the recommendations of this Board will, if implemented, more than correct.

We think that this disposes of the comparisons offered, and that no case has been made out on that basis.

It remains to consider the larger proposition that wages should be brought up to the standard recommended by the Toronto Welfare Council, \$49 per week. We wish that the Brotherhoods had been more explicit in this proposal. We are not sure whether the proposal is that the average wage should be raised to \$49 per week, or that there should be established a minimum wage of \$49 per week. Since the Brotherhoods are dealing with their members as a mass, and making the same demands in respect of all of them, we would surmise that the argument is that the average wage should be at least \$49, or, perhaps, \$52.50 per week.

The Brotherhoods have not told us what the average wage of their members is. In the absence of any information on this point we must rely on the only figures available to us, those contained in government publications and relating to the average pay of all non-operating railway employees. The figures given us as to pay in certain occupations within the Brotherhood are not helpful because, as we have said and repeat, we are not allowed, by the terms in which this problem is presented to us, to discriminate between classes, but are confronted with the necessity of granting or denying to the whole membership of the Brotherhood the same measure of relief. If the unions and groups within the Brotherhood wanted to present separate demands based on individual necessities they could have done so, but they have elected to make a mass demand and must accept the consequences.

Taking, therefore, the average figures cited for all non-operating railway employees for October, 1949, we find that average weekly take home pay was \$48.13, slightly below the Toronto Welfare Council minimum. However, if we proceed to examine the latest figures on weekly earnings in "Man Hours and Hourly Earnings" for Canada, we find that, at December 1, 1949, out of 71 industries and groups of industries listed there are only 7 industries which conform to the Toronto standard, and none which conform to the higher standard asked for by the union, \$52.50. We find that the average weekly wage in manufacturing was \$41.47, in durable goods manufacturing \$45.18 and in non-durable goods manufacturing \$37.80. We find that the average weekly pay of non-operating rail employees, \$48.13, is well above the Canadian average.

It therefore seems to us that the criticism implicit in the Toronto Welfare Council argument is not a criticism of the railway wage scale, but a criticism of the whole Canadian wage structure, perhaps of the whole Canadian economy. We are not here to deal with such large matters. We are here to make recommendations to insure that the members of the Brotherhood are paid fair wages, in terms of comparison with other Canadian wages, and in terms of the Canadian economy as it exists.

The other obvious criticism to be made of the standard presented us is one which the Brotherhoods, very fairly, concede in their argument; that the wage which will maintain a family of 5 in the large city of Toronto is not necessarily the standard to be paid all classes of employees, married or single, in all parts of the Dominion.

We must hold that the Brotherhoods have not made out a case for granting to their members concessions which are not to be granted to other non-operating railway employees.

It follows that we must consider the Brotherhoods' proposals from the viewpoint that any concessions granted to them will have to be granted to other non-operating railway employees. It also follows that the figures, the averages which we must use in our discussion must be the only ones available to us, those relating to all non-operating railway employees. Further it is inevitable that much of our subsequent discussion must relate to the position of non-operating railway employees as a whole, and to the effect of granting to them, as a whole, the benefits asked for by the Brotherhoods.

It should also be clear that, whatever special treatment the Brotherhoods may have expected as to wage rates, they could not reasonably expect special treatment as to hours of work, and that any changes in hours of work must be extended to other non-operating employees, and must, therefore, be discussed as though they were to be applied to all non-operating employees.

Although the employees' demands for an increase of 10 cents per hour in pay, and for the 5-day 40-hour week are presented separately, we find it impossible to deal with them separately. To do so would be to ignore the cost of the 5-day 40-hour week. The two proposals, and their implications, must be considered together.

The effect, in terms of wage rates, of granting these requests depends on the wage level that has been achieved at the time they are granted. If the wage level is low, the proposals can be implemented without throwing the general Canadian wage structure out of balance; if, on the other hand, the wage level, expressed in terms of hourly earnings, is a fair one, the effect must be otherwise.

This can best be illustrated by comparing the present situation in Canada with that which existed in the United States in the Fall of 1948, when a Presidential Emergency Board, to which the Brotherhoods have referred in their brief, recommended for United States non-operating railway employees an immediate increase in pay of 7 cents per hour for all employees and, at a later date, the institution of a five-day forty-hour week with pay for 48 hours per week.

Before this recommendation was brought into effect, the rates of hourly earnings of United States non-operating railway

employees were demonstrably out of line with those of workers in other industries which the Presidential Board thought comparable. Without going into detail, it can be said that in October, 1948 those railway employees worked an average of 49.1 hours per week for take home pay of about \$60 (\$1.21 per hour). At the same date workers in durable goods manufacturing, and in another group of industries which the Presidential Board selected as comparable, worked an average of 40 hours per week for the same take home pay of about \$60 per week (\$1.45 to \$1.50 per hour). Admitting the comparability of the industries, it was obvious that the railwaymen suffered an inequity. The Presidential Board rectified this inequity by first raising wages 7 cents per hour, and by recommending a 40-hour work week with the same take home pay to take effect 9 months later.

When these things had been done, the hours of work and the hourly earnings of railworkers were about on a par with those of the two groups selected for comparison. Thus the 40-hour week had been achieved for railworkers without any dislocation of the general wage structure of the United States.

Such a result cannot be achieved in Canada. In October, 1949, the average weekly earnings of non-operating railworkers in Canada were \$48.13 for an average work week of 46.9 hours, being at the rate of \$1.026 per hour. The Brotherhoods ask for 10 cents additional pay per hour and a 20 per cent increase with the institution of a 40-hour week. The effect on the earnings of the average railwayman of granting both proposals, would be as follows:—

Average hourly earnings increased  
by 10 cents per hour  
 $\$1.026 \text{ and } .10 = \$1.126$

Average hourly earnings further  
increased by 20 per cent  
 $\$1.126 \text{ and } .2052 = \$1.3312$

Average weekly earnings would be  
\$53.25

After the change, if it were granted on the terms asked for by the Brotherhoods, the average railwayman would work about 7 hours less per week and earn \$5.12 more per week. He would also have gained, in one stroke, an increase in his hourly earnings to 31 cents per hour or 29 per cent over his former earnings; surely one of the most drastic general wage rate increases in Canadian labour history.

The wages paid and hours worked in durable manufacturing were used as a basis

of comparison in the United States. Figures on wages paid and hours worked in durable manufacturing in Canada at December 1, 1949, were as follows:—

Average weekly earnings....\$46.66

Average hours worked..... 43

Average hourly earnings...\$1.085

The durable goods worker had, at December 1, 1949, an advantage of 5.9 cents per hour in earnings over the railworker. If the proposals of the Brotherhoods were granted he would not only lose this advantage, but find himself earning 25 cents less per hour than the railworker. His take home pay, for a 43-hour week, would be \$46.66 while that of a railwayman, for a 40-hour week, would be \$53.25.

The durable goods group earns more than the average Canadian factory worker, whose earnings at December 1, 1949, averaged 99.9 cents per hour. If the demands of the railworkers are acceded to, the gap between the pay of the railworker and the average factory employee will increase from 2.7 cents per hour to 33.2 cents per hour.

The variety of occupations in which non-operating railworkers are engaged is such that comparisons are difficult. However, such comparisons as are made should be with large groups, such as durable goods workers, which may also be expected to comprise a diversity of occupations and to include, as does the non-operating rail group, skilled and unskilled workers. Comparisons with individual industries are of less value. Nevertheless, in order to point out the sweeping nature of the proposals made by the rail unions, it is interesting to compare the average hourly earnings for which they ask, \$1.331, with the average hourly earnings reported on page 7 of *Man Hours and Hourly Earnings* at December 1, 1949, published by the Dominion Bureau of Statistics. It will be observed that compliance with the railworkers' requests would give them an hourly wage rate not only substantially higher than that of any group there listed, but higher than that of any individual industry there listed with the sole exception of coal mining. Such a result cannot be a proper one. No evidence was adduced before us to show that railwaymen are entitled to so great an advantage over other Canadian workers.

[See Paragraphs 26 to 33 inclusive of the majority report in the dispute affecting the 12 standard international labour organizations.]

The railways, in their argument, cited figures to show that the rate of increase in rail wages since 1945 had been greater

than that in manufacturing. The Brotherhoods reply that it is unfair to take 1945 as the standard year, and show that quite a different result can be obtained by going back to 1939.

We do not attribute much weight either to the argument or to the rebuttal if they are to be interpreted as maintaining that it is sound to pick out any one year, and to argue that all wages should retain the same relative position that they had in that year; and that any advantage or disadvantage railworkers had in either of those years should be perpetuated.

This Board does not think that the industry of this country is so static that it is possible to select any one year, be it 1939 or 1945 or another year, and hold that there was established in that year a grading of labour values which must stand forever. It appears to the Board that, in a free society, relative wage standards of labour in different fields must change over periods of time. For instance, the loss in position which rail labour has sustained since 1939 may be due to several factors. A most important one is the increasing organization of labour in other industry which has taken place since 1939. In 1939 and for many years before, rail labour was fully organized and had reaped the benefits of organization and of capable union management in a relatively high wage scale. This was not true to anything like the same extent of other elements of Canadian labour. Unionization of employees has since proceeded at a great pace and resulted in the rectification of inequities and the raising of wages.

Another factor which may, in a lesser degree, account for the disparity in the rate of increase is the maturity attained by Canadian manufacturing during and since the war. This has resulted in an increase in the proportion of skilled workers employed and a corresponding increase in rates of pay in manufacturing.

A third factor which has probably contributed to this result is the practice, during the war, of extending flat wage increases, based on rises in the cost of living, to Canadian workers. The effect of such across-the-board increases, as between different industrial groups, must be to benefit the lower paid groups by a larger percentage than the higher paid groups, such as railworkers.

Similarly, the greater proportionate gains made by rail labour between 1945 and 1948 do not, by themselves, prove anything. It may be, as argued by the Brotherhoods, that they represented benefits which should have been received earlier, but the conferring of which had been deferred.

## Ability to Pay

[See Paragraphs 44 to 47 inclusive of the other majority report.]

## The cost of the 5-day 40-hour week.

There is a wide range of difference of opinion as to the cost to the railways of introducing the 5-day 40-hour week and the general wage increases proposed.

[See paragraphs 49 to 51 and 53 to 56 inclusive of the other majority report.]

## The United States comparison

It must at once be conceded that, as argued by the unions, the 40-hour week is the most usual standard in the United States. The Fair Labour Standards Act of 1938 made it a legal requirement in many industries, and, it has been voluntarily adopted in many others, including the United States railroad industry.

In Canada the only legislation comparable to the Fair Labour Standards Act are British Columbia and Saskatchewan statutes which impose a 44-hour work week in industry in those provinces.

It is also indisputable that rail wages in the United States are substantially higher than they are in Canada.

Because the 5-day 40-hour week has been adopted for non-operating railway employees in the United States, it does not follow that it should be adopted in Canada.

In making this statement the Board must reiterate its opinion that the demand for a 5-day 40-hour week with maintenance of present take home pay, is not merely a demand for a shorter work week, but is, since it necessitates higher rates of pay, a demand for higher pay. The Board is well aware that the Brotherhoods do not, as do the International unions, rely, in their argument upon comparisons of Canadian rates of pay for railworkers with American rates of pay for railworkers. But the Brotherhoods do advance the adoption of the 5-day 40-hour week in the United States as a reason for its adoption in Canada. Therefore all the implications of its adoption in Canada, one of which is higher wage rates, must be considered in the light of its adoption in the United States, and in the light of the American wage scale. Therefore the discussion which follows will deal with American wage scales, as well as with American working conditions.

Considering the numerous able opinions that have been written in the past on this subject, this Board does not feel it necessary to expound at length its reasons for rejecting the theory that rail wages and

working conditions in Canada must keep pace with rail wages and working conditions in the United States. In general we are content to adopt the reasoning of the conciliation board headed by Mr. Justice Cameron which in 1948 rejected this same contention. It is abundantly clear that wages of all workers, not only of railroad employees but of all classes of wage-earners, are higher in the United States than they are in Canada. The same is true of the salaries and earnings of executives and professional men in the two countries. The fact is that the United States possesses a richer and more mature economy than Canada and that, presently at any rate, our production is not such as to afford us so high a standard of living as there is in the United States. Under present conditions sensible Canadians will, as they must, accept the fact that the earnings of the average Canadian are less than those of the average resident of the United States, and that the more abundant economy of the United States may permit better working conditions.

We can appreciate that the interconnection of Canadian and United States railways, the similarity of the work, the payment of United States scale wages to employees on United States owned railroads in Canada, and the payment of United States scale wages to employees on Canadian owned railroads in the United States—all these things must bring the wage disparity in wages and hours of work home to Canadian railworkers. But Canadian railworkers cannot expect preferential treatment. They must accept the same standard as do other Canadian citizens. A factory employee in Windsor has to accept the fact that his counterpart across the river in Detroit earns higher wages. The same difference runs through all levels of society. We can see no reason why railworkers should be selected as the one class in the Canadian social structure for whom this condition is to be changed, by raising their wages and working conditions to the United States level. When the per capita wealth and productivity of Canada rise to the levels attained in the United States, railworkers will doubtless receive their due share of the new national income. Until that occurs, they must, like the rest of us, accept their due share of the present national income.

## Australia and New Zealand

It is true that railworkers in Australia and New Zealand all have the 5-day 40-hour week. But without some information as to their earnings this bare fact does not provide us with much guidance. It might

well be that, given a chance, Canadian railworkers would prefer Canadian working hours with Canadian pay to Australian working hours with Australian pay. It does not appear that the 40-hour week is in effect on British railways.

[See Paragraph 66 of the majority report in the dispute affecting the 12 standard international labour organizations.]

### **Social aspects of the 5-day 40-hour week**

[See Paragraphs 67 and 68 of the majority report in the dispute affecting the 12 standard international labour organizations.]

### **The Canadian work week**

[See Paragraphs 69 to 71 inclusive of the majority report in the dispute affecting the 12 standard international labour organizations.]

### **Recommendations**

The inherent nature of the railroad industry makes the institution of a shortened work week more difficult and expensive than it is in most other industries. Railroad service must generally be carried on 7 days per week. Trains do not cease to move over the weekend, and large numbers of men must work over the weekend to keep them moving and to perform the ancillary services necessary to their movement. A factory can be closed for two days with no loss other than the loss in the investment for those two days. A railway cannot be closed down for two days or for any period. The staggering of work hours, while useful, cannot overcome this difficulty and a shortened work week must, if service is to be maintained at present levels, result in a great additional cost to the railways.

Nevertheless this Board recognizes that the existing hours of work for railworkers are out of line with those generally prevailing in Canadian industry, and that the difficulty of instituting a shorter work week must not be allowed to result in an indefinite prolongation of this condition.

The Board thinks that a fair solution of the problem before it is the institution, on the plan hereinafter set forth, of a forty-four hour work week on Canadian railways for non-operating employees, except: (a) sleeping and dining car employees and express messengers, whose working hours should so far as practical, receive comparable adjustment; (b) those hotel employees who are included in the terms of reference to this Board; (c) those engaged in water transport.

In introducing a 44-hour week, service to the public should be maintained and the increased cost should be distributed as equitably as possible.

In order to explain the solution upon which the Board has decided, it is necessary to deal, in a general way, with present hours of work for various classes of railworkers.

There are many salaried or monthly-rated employees, most of them in office employment. With few exceptions, these workers are classified as working 8 hours per day for 6 days a week. Those are their contractual hours of work. But in practice a considerable percentage of them, with the consent of their employers, work shorter hours. One singular result of the continuance of this unreal classification has been that these workers have received, when across-the-board wage increases were granted, increased payment for hours in which they did no work. Thus, for instance, a clerk whose contractual hours of work are 48 but whose actual hours of work are 44 and who has, like all railworkers, received across-the-board increases totalling 43 cents per hour since 1939 is now being paid this increase for 4 hours in which he does no work, a sum of \$1.72 per week, or \$89.44 per year.

In general it can be said that monthly-rated workers, whether or not they do in practice work 48 hours, are classified as working 48 hours per week. The majority of them still work 48 hours per week.

The group of workers which most greatly complicates the wage-hours pattern is that which mans the workshops where locomotives and rolling stock are cared for. These shop workers are generally paid hourly wages and number amongst them skilled mechanics, their helpers, apprentices, labourers, and some clerical staff. They are divided into two classes. One class, some 25,000 in number, are generally known as the running shop workers and work 48 hours per week. The other class, the backshop workers, numbering 20,000, work 44 hours per week. The hourly rates of pay of both classes, and of the numerous grades within each class, are the same. Since the running shop workers work 48 hours, as against 44 hours for the backshop workers, their take home pay is greater. If the running shop workers were granted a 44-hour week, with 48 hours' pay, both their hourly rate of pay, and their weekly take home pay would exceed that of the backshop workers, who do exactly the same type of work, and whose hours of work would then be the same. This result must be avoided.

A third group of workers does not fit precisely into the classification of monthly paid employees or into that of hourly paid employees. It comprises sleeping and dining car employees and express messengers. While an attempt must be made to apply to this group the same general treatment recommended for other employees, their unique conditions demand and will receive, later in this report, separate consideration.

With the exceptions already mentioned it can be said that railworkers, generally speaking, work and are paid for 48 hours per week.

Statistically the average work week of railworkers for October, 1949 was 46.9 hours (including overtime). In point of fact this figure is larger than it should be because, as already explained, certain monthly-rated employees, who work less than 48 hours per week, are classified as working 48 hours. If they were classified according to the hours they actually work the average work week would be less and, incidentally, the average earning per hour would be greater than \$1.026, the figure used in these calculations.

The main reason why the average work week (46.9) is less than 48 hours is the fact that the backshop workers work only 44 hours.

In trying to work out an equitable method of instituting a 44-hour work week we must have in mind, among other objects, these two things:—

1. To avoid, so far as we can fairly do so, any substantial reduction in take home pay.
2. To minimize, so far as we can fairly do so, the cost to the railways, and to see that, in any event, the rail wage bill for a 44-hour week is not greater than that now paid for the present work week.

Dealing first with this latter proposition, it might seem that this is an unnecessary precaution; that the change over to 44 hours with the same take home pay cannot result in an increase in the wage bill, apart, of course from the general cost increase inevitably associated with a shorter work week. But this is to ignore the adjustment which must be made in the pay of the backshop workers. If other shop mechanics now working 48 hours, are to be given a 44-hour week with the same take home pay, their hourly rate of pay will rise from \$1.22 to \$1.33. But the backshop workers, doing the same work, could not be left earning \$1.22 per hour; their rate too would have to be raised to \$1.33,

although there would have been no change in their work hours. Therefore the railways, after the change over, would not merely be paying to persons who had formerly worked 48 hours per week 48 hours' pay for 44 hours' work, they would, in addition, be paying to 20,000 of their employees, whose hours of work were unchanged, a straight wage increase. This increase in the case of mechanics would be 11 cents per hour, \$4.84 per man per week. Therefore the weekly wage bill would not remain the same, but would increase, and this apart altogether from the general cost of reducing the work week.

The terms on which this problem is presented to us prevent us from arriving at different solutions for different classes of employees or for different unions. We must find a formula which is capable of general application.

The average take home pay of railworkers for October, 1949 (the last figure available) was \$48.13 per week. The average hours were 46.9 and the average hourly earnings were \$1.026. All these figures presumably include overtime, but that fact does not seriously affect their usefulness for present purposes.

If the average railworker is to receive the same average take home pay for a 44-hour week as he received in October for an average week of 46.9 hours his new rate of pay will be as follows:—

$$48.13 \div 44 = 109.4 \text{ cents}$$

Increase per hour

$$109.4 - 102.6 = 6.8 \text{ cents}$$

Rate of increase

$$6.63\%$$

This figure of 6.63 per cent is, we think the figure that must be used throughout. It is fair to the average employee. In incidence it will apparently benefit the backshop men more than others. This can not be helped. If the unions are, as believe they are, sincere in their desire to help one another, and to act collectively, then a result which is fair collectively should be acceptable to them.

Some typical results of the application of this formula are as follows:—

- (a) Backshop worker now working 44 hours per week at \$1.22 per hour.

Present take home pay for 44 hours \$53.68.

New rate of pay per hour \$1.22 x 1.0663 = \$1.3009.

New take home pay for same hours 44 x \$1.3009 = \$57.24.

Gain in wages \$3.56 per week.

Hours unchanged.

(b) Running shop worker now working 48 hours per week at \$1.22 per hour.  
 Present take home pay for 48 hours  $48 \times 1.22 = \$58.56$ .  
 New rate of pay per hour  $1.22 \times 1.0663 = \$1.3009$ .  
 New take home pay for 44 hours  $44 \times 1.3009 = \$57.24$ .  
 Loss in wages \$1.32 per week (about 1 hour's pay).  
 Gain 4 hours less work.

(c) Clerk, annual salary \$2,448.  
 Present hours per year (after allowing for Sundays and Holidays) 2,448 hours.  
 Present hourly rate \$1 per hour.  
 Present weekly take home pay  

$$\frac{1.00 \times 2,448}{52} = \$47.08$$
  
 New hourly rate of pay  $1.00 \times 1.0663 = \$1.0663$ .  
 New hours per year (44-hour week) 2,240 hours.  
 New weekly take home pay  

$$\frac{1.0663 \times 2,240}{52} = \$45.94$$
  
 Loss per week \$1.14.

The application of this formula should result in leaving the total amount to be paid by the railways to all the employees for the 44-hour week, the same as the total amount which they were previously paid for the present work week.

The benefits to the employees are:—

1. A shortened work week for the great majority;
2. A raise in take home pay for backshop workers;
3. Higher hourly rates which will result in higher overtime rates.

The loss to the railways is:—

1. The cost of providing necessary services and labour, at the new increased rate of pay, during 4 hours of each week.
2. A new and higher overtime rate.

The Presidential Emergency Board, already referred to, selected durable goods manufacturing as an industry comparable for wage fixing purposes to the railroad industry. We have obtained from the publication Man Hours and Hourly Earnings the figures applicable to this industry in Canada at December 1, 1949, and we give them below, with comparative figures which will apply in the railroad industry if the formula we suggest is adopted.

	Durable goods	Railways
Hourly earnings.....	108.5	109.4
Hours of work.....	43	44
Weekly take home pay.	46.66	48.13

It will be seen that the result is to give the railworker an advantage in rate of pay

and weekly earnings over the worker in the durable goods industry, with a work week one hour longer.

Similar comparisons with any large group listed at page 7 of the publication Man Hours and Hourly Earnings, will show that if this formula is applied the railworker will have a favourable position in the Canadian labour picture.

There was some argument to the effect that an increase in wage scales was justified by the increase in the cost of living since 1948, when the last wage increase of 17 cents per hour was granted. The Board does not concede the validity of this argument because it does not know what relation the present wage bears to the cost of living, or what effect the cost of living had in producing the last wage increase. However, if there is any validity in this argument the increase in the rate of wages recommended by this Board is sufficient to care for any rise which has occurred in the cost of living.

The recommendation of the Board is that the work week of non-operating employees represented before the Board, except dining and sleeping car employees and express messengers for whom separate recommendations are later made and hotel and water transport employees, be reduced to 44 hours and that the said non-operating employees, with the same exceptions, be paid for those 44 hours at the rate of 106.63 per cent of their present hourly rates of pay.

If the new work week with the new wage rates is acceptable to both parties, it will of course be necessary that there be negotiations between the parties as to the way in which the formula is to be applied generally, and subsequently some 34 individual agreements will require adjustments accordingly. During these negotiations the proposals of the railways hereinafter set forth as to changes in a number of the agreements should also be considered by the parties. All these negotiations will of course take some time. After they have been completed the various railway officials across Canada must be instructed as to the agreed methods of applying the shorter work week; and in due course there will probably be required a preparation of detailed work schedules, for all railway employees concerned, in light of local requirements, with such variations in procedure as may be considered fair between the railways and the employees' local representatives. In addition to this the railways will require to line up such relief staffs as may be necessary and familiarize them with the work to be performed.

Accordingly the Board suggests the 1st day of August, 1950, as the effective date of the new work week.

In general the 44-hour work week should allow an employee  $1\frac{1}{2}$  days continuous holiday in each week, preferably on Saturday afternoon and Sunday. Where, however, working conditions render this difficult, it might be arranged for an employee to work 11 days each two weeks, or to average days of work over a longer period. All these are matters to be considered when the parties meet for the purpose of making the changes in their agreements which will be necessary if the recommendations in this report are to be adopted.

It is the Board's conviction that the interests of the public demand that this reduction in weekly hours of work be made in such a way as to create the smallest burden possible on railway expenses while maintaining reasonable service to the public. To this end the parties should agree on necessary modifications of existing rules to keep the cost of replacements at a minimum and to enable existing positions to be filled where possible on a five and a half day basis without replacement.

### **Cost to the Railways of the 44-Hour Week**

It is impossible, of course, to estimate exactly the cost to the railways of the 44-hour week. Time alone will prove this. But, if it is assumed that, after the institution of the 44-hour week, the same total of man-hours must be worked in each year as are now worked, a rough calculation can be made.

The present average work week is 46.9 hours. The new work week is to be 44 hours, 2.9 hours less. The new average rate of pay recommended is \$1.094 per hour. The total number of employees represented before both Boards, according to railways exhibit No. 1, is 116,530. The cost formula for the year is therefore as follows, on the assumption made above:—

$$\$1.094 \times 2.9 \times 116,530 \times 52$$

The result is \$19,224,560.06

This is, as we have said, a rough estimate. It ignores economies which may be effected to lower the total number of man-hours required. It also ignores the fact that the introduction of a 44-hour work week may necessitate the payment of a much larger percentage of overtime pay. These two factors may balance off, to some extent. At any rate, on the basis of the evidence before us, which related to the cost of a 40-hour week, and not to that of a 44-hour week, this is the nearest estimate we can reach.

### **Dining and Sleeping Car Employees**

Dining car employees include stewards, waiters, cooks and dishwashers. The sleeping car employees include sleeping car conductors and porters. The basis of employment of these men is different than that of other classes of rail workers by reason of the requirements of the service in which they are engaged. They are paid for 240 hours of work per month and can be required to work 240 hours per month. In point of fact, most of them work less and we are informed that the average hours on duty are about 225 per month. The nature of their work is such that they must be on duty continuously for considerable periods en route but the hours of duty include periods of relaxation and rest when they are not required to give service to the travelling public and time consumed in taking meals which are not deducted. Those of them who are required to be absent from home for long continuous periods during the month are generally granted compensating periods of rest at home during the month.

The application of the general formula we have recommended for other railworkers to these two classes is not easy. We think the fair thing to do is to reduce the guaranteed and required monthly hours of these employees to 224 hours per month. They should be paid for these 224 hours per month at the rate of 106.63 per cent of their present hourly earnings.

Considering the impossibility in many cases of reducing hours in these trades to the 224 hours per month standard, we think that penalty overtime should be payable, as at present, for hours in excess of 490 in a two-month period, with the new standard rate for the hours in excess of 448 and not greater than 490. This recommendation follows the general lines of that made in respect of dining car employees by the Presidential Emergency Board in the report already referred to except that there the reduction in standard work hours was greater.

### **Express Messengers**

The rate of remuneration of these employees is not a simple matter of monthly or hourly wage rates, but is related to mileage on a basis which differs in the two main companies. We have not the information before us to enable us to decide what adjustments should be made in their wages or conditions of employment in order to give them, so far as practical, the same general treatment recommended for other employees. We therefore recommend that the matter of their hours of

work and rate of pay be the subject of negotiations between the parties with a view to giving them, so far as practical, the same general advantages on the same general terms recommended for other employees.

### **The Railways' Proposal as to Changes in Agreements**

When the Brotherhoods made to the railways the requests for changes in agreements which have been hereinbefore set forth, the railways replied suggesting a large number of individual changes in their agreements with the Brotherhoods before this Board. The more important proposals were summarized under the following heads, namely:—

1. Modification of certain rules restricting the railways in the selection of men for supervisory grades.
2. Modification of rules restricting the railway in the most efficient assignment of the work to be performed and in adjusting staff to meet changes in traffic.
3. Reduction in penalty payments representing compensation for time not actually worked.
4. Modification of road detention or overtime rules for Express Department road service employees.
5. Introduction or expansion of scale of probationary rates and period of time for new employees.

One of the reasons given by the railways for their proposals was "the excessive rise in wage levels as compared with revenue earning capacity", and they pointed out that this was clearly "a situation where management must explore every avenue to place its operations on the most efficient basis possible and where impediments to efficiency resulting from burdensome penalty provisions that previously might be tolerated must now be eliminated".

The railways gave to the Brotherhoods a detailed list of the various changes which they suggested should be made in the agreements. These proposals of the railways have never been discussed between the parties, and the railway companies have not urged that this Board should adjudicate on the merits of the individual questions raised by them.

These proposed changes are properly a matter for collective bargaining, and given a desire on both sides to reach a reasonable and fair solution, such solution should not prove too difficult. However, the railways have urged that if they are faced with a

settlement between the parties which involves a shorter work week, the negotiation in good faith of the railways' proposals should form part of any final settlement of the matter. The Board feels that the public interest demands that the railways and their employees should consider most seriously such modifications of the agreements as, without working a hardship on the employees, will contribute to increased efficiency or eliminate expense not necessary or justified. If, therefore, the parties to the dispute accept the proposition of the Board in regard to a forty-four hour week, during the negotiations for the alteration of the respective agreements in that respect, the Board feels that the proposals of the railways as to changes in the agreements should also be considered.

If, on the other hand, the parties do not come to any agreement in regard to the shorter work week, then these proposals of the railways should be considered in due course on the merits by all the parties to the agreements.

### **The Hotels**

As the result of a direction from the Minister of Labour, based on a recent decision of the judicial committee of the Privy Council, the Board was instructed to deal with the wages and hours of work of employees in Canadian National Railways' hotels, but not with those of employees in Canadian Pacific Railway hotels. In the result wages and working conditions of workers in Canadian National hotels are under Dominion jurisdiction, while in the Canadian Pacific hotels they come under the jurisdiction of the various provinces in which they are located. The result, while it may be legally unavoidable, is, because of the similarity of the hotels and of the problems involved, and the identity of the unions concerned, an awkward one.

The Canadian National Railways argue that, although the wages and working conditions of hotel employees are referred to us for consideration, along with the wages and working conditions of their other employees, they should be considered separately, and that a separate ruling should be made in respect of them.

We think this is right. Hotel work has no connection with or comparability with railway work. The wages and working conditions of railway hotel employees are properly comparable with those of other hotel employees. The fact that a railway company, rather than another company, owns a hotel does not change its character or the nature of the various classes

of work performed in it. To classify hotel employees as railworkers is entirely artificial. They have nothing to do with the operation of a railway.

We proceed on this basis to make a separate recommendation as to hotel

employees. Statistics furnished us by the Department of Labour show an apparent disparity between the wages paid certain employees in railway hotels and those paid in other hotels selected by the Department as comparable. The figures are as follows:—

TABLE 18

Average Monthly Wage Rates (Including Value of Meals), for Selected Occupations in Railway Hotels as Compared with Other Hotels, Eastern and Western, 1947 and 1948

	Average wage rates per month <sup>1</sup>			
	Railway hotels		Other hotels <sup>4</sup>	
	1947	1948	1947	1948
	\$	\$	\$	\$
Dining room waitresses.....				
Eastern <sup>2</sup> .....	90.53		70.73	
		134.05		90.89
Western <sup>3</sup> .....	105.26			
		140.59		
Cooks				
Eastern .....	172.67		183.66	
		206.69		202.38
Western .....	179.21			
		204.23		
Room clerks				
Eastern .....	193.68		153.30	
		226.69		169.10
Western .....	171.43			
		219.57		
Chambermaids				
Eastern .....	101.74		87.36	
		136.92		102.66
Western .....	104.32			

<sup>1</sup> Since wage reports for individual firms received by the Department of Labour were treated equally, rates for individual cities with only one railway hotel cannot be given separately. Rates are averaged therefore, over the two areas using 1948 employment figures for reporting hotels as weights except in Calgary, where 1947 figures are used as weights for Dining Room Waitresses and Cooks.

<sup>2</sup> Eastern Area for Railway Hotels includes Halifax, Quebec, Toronto and Ottawa.

<sup>3</sup> Western Area for Railway Hotels includes Winnipeg, Regina, Edmonton, Calgary and Vancouver.

<sup>4</sup> "Other Hotels" used here for comparisons include one hotel (selected to provide as close comparability as possible, under the circumstances, with railway hotels) from each of the following cities: Sydney, St. John, Quebec, Ottawa (for room clerks and chambermaids only), Toronto, London and Niagara Falls. No Western Hotels were thought to be at all comparable.

The correctness of these figures is not disputed, but their relevancy is attacked by the Brotherhoods on two general grounds:—

1. That the general standard of railway hotels is so high that there are no comparable hotels.

2. That, if there are comparable hotels, the footnotes to the table quoted show that comparable hotels were not selected for comparison.

It is quite true that in many Canadian cities the railway hotels are in a class of their own, and that other hotels are not on

the same level. The footnotes to the table show that this has been recognized, and that an honest attempt has been made to accomplish fair comparisons. Furthermore, if the differences in rates of pay were discounted by as much as one-third, they would still be formidable.

Other undisputed figures submitted by the railways show that the average rate of pay per hour in CNR hotels in December, 1949 was 75.7 cents while that in other Canadian hotels was 58.7, a difference of 30 per cent. These figures do not include the value of meals and rooms furnished to certain classes of employees—nor do they include the not inconsiderable sums which, by a tacit agreement between hotels and their employees, are exacted from the public in the form of tips. These so-called gratuities are, as any experienced traveller knows, not a reward for special service, but a requisite if one is to obtain normal service. In the case of certain classes of hotel employees, such as bellboys, waiters, porters, bartenders and check room attendants, these gratuities must be a very important item of income. If it were not for the existence of these factors the average wage rates quoted above would both appear to be low.

We have also been supplied by the CNR with tables showing specific rates of pay of employees in two CNR hotels, the Nova Scotian in Halifax, and the McDonald in Edmonton. These wage scales appear to us to be generous for the classes of work described.

The Brotherhoods admit that the wages paid in railway hotels are higher than those paid in other hotels, but say that this difference is justified by the higher degree of competency required in railway hotels, which maintain superior standards of service.

The Board agrees that the railway hotels are of a quality above the Canadian average, and that this fact, while it will not require that railway hotel employees work harder than those in similar positions in other hotels, will probably require a higher degree of competency. But it appears to this Board that a wage differential of 30 per cent is more than an adequate compensation for higher competency in the classes of work involved.

Furthermore the evidence shows that even in hotels selected by the Department of Labour as comparable to railway hotels the wages are much lower.

There is no evidence before us that the 40-hour week is in effect in any hotel in Canada.

Our recommendation in regard to CNR hotel employees is that their claim to a 10 cent per hour pay increase and to a 5-day 40-hour week be rejected. Further we consider that the level of wages in CNR hotels is so high that, if a 44-hour work week is to be introduced, the pay of the employees should be reduced accordingly. That is to say, their hourly rates of pay should be maintained, but their take home pay should be reduced by an amount representing 4 hours' pay, if they had previously worked 48 hours, or a proportionately lesser sum, if they had previously worked less than 48 hours and more than 44.

## **Water Transportation Employees**

We agree with the railways in their contention that the wages and working conditions of this small group have no relation to the general railway picture and ought to be considered separately, with reference to wages and working conditions of other seafaring personnel, rather than with reference to railway labour conditions.

We have heard no evidence, either from the Brotherhoods or from the railways as to wages and hours of work of other ship personnel, or as to the conditions, that is the length of voyages, etc., that affect their employment.

We understand that the water transportation employees represented by these Brotherhoods constitute only a small fraction of total crews employed by the railway companies, the great majority of the crews belonging to other unions.

In the circumstances, we do not feel that we have any evidence before us to justify our making a recommendation in regard to wages and hours of work of water transport employees.

## **The Check-off**

The Board does not want to appear too summary in its rejection of the proposal that the company deduct from the wage of each employee whose terms of employment are covered by a Brotherhood agreement the amount of union dues charged by the Brotherhood against each member, whether the said employee is or is not a member of the Brotherhood.

The Board's decision is not based on the general arguments advanced by the company against the check-off, as such, but solely on the circumstances in this case. There are three large union groups covering railway employees. None of these groups has, or ever has had a closed shop, union shop, check-off or any other type of restrictive agreement with the companies. Under

those conditions the three union groups have thriven and cared well for their members. There is nothing to suggest that a check-off or any other form of compulsion is necessary to the continued health of these labour organizations. There is between the Canadian Brotherhoods and another group a healthy competition which must, we think, result in general benefit to the employees, and which would be affected by granting a check-off to one group and not to the other. We can see no need for the check-off and do not recommend it.

## General

It is our firm opinion that the recommendations herein contained embody the utmost in the way of concessions which the railways ought to be required to grant at this time.

The Board has some concluding observations to make arising out of the nature of the proceedings which it conducted.

There was no collective bargaining in the true sense of that phrase. There was a great deal of very effective argument, a thorough and careful marshalling of facts. But the parties remained protagonists and never assumed the role of negotiators. There was an obvious reluctance on both sides to concede any point for the purpose of arriving at a settlement. No middle ground was even discussed before the Board. The Board was treated as a forum and did not succeed in performing its function of conciliation.

For this failure the Board may bear some responsibility, but it may be that the chief fault is inherent in the very nature of the task.

The negotiation between a national group of unions and a national group of railways of mass demands, such as were made here, presents a conciliation board with a very formidable problem.

There are some 34 separate labour contracts between the Brotherhoods here represented and the railways. Each contract is a code covering the wages and working conditions of a group of workers, and of grades within that group. It would be impossible to cover all relations between the railways and these groups of non-operating employees by one contract and yet, when revision is sought of contractual relations, the problem is approached as though there were only one contract.

In the result there is no real collective bargaining. In the present case the justice of the Brotherhoods' demands in relation to separate classes of workers was never studied. It may be that the deserts of some of them were greater than others;

that for instance, some groups deserved a substantial wage increase while others deserved none. It may well be that the onerous and unpleasant nature of the labour of some groups gave them a much better claim to a shorter work week than had other groups. It may be that the application of the shorter work week is economically practicable for some groups, but not immediately so for other groups, who might, however, be given other compensating advantages. None of these things was the subject of negotiation or discussion. They were not negotiated or discussed because the terms of the general demand required a general solution, not a series of particular solutions applicable to the particular problems involved.

Again, collective bargaining should involve a complete review of all the contractual relationships, with all terms open to discussion and revision, so that there can be that elasticity, that give and take which is necessary to any kind of bargaining; the granting of a point in return for one gained. The negotiation of mass demands of this nature precludes that sort of true bargaining.

The railways in this case ask for modification of a great many of the terms of many of the existing 34 contracts. Such changes ought, in fairness and in sense, to be discussed along with the union demands, which are also essentially proposals for the modification of these contracts. It is perfectly legitimate bargaining practice for the railways to ask acceptance by the union of changes they propose in exchange for their acceptance of changes proposed by the unions. But this sort of negotiation cannot be conducted on the scale attempted here; it would take any two negotiating bodies, and one Conciliation Board a year or more to complete the task of reviewing 34 contracts. In the result, for reasons of expediency, the consideration of the railways' proposals is postponed and the only subject to be discussed is whether the Brotherhoods' demands are to be accepted absolutely or in some modified form. There is no opportunity for the railways to ask for a *quid pro quo*, in the form of various alterations of the terms of the existing contracts. This is not true bilateral bargaining.

It is not suggested that this latter result is the product of any design on the part of the Brotherhoods. It is just one of the inevitable results of mass bargaining.

Since, by the terms in which the problem is presented, real negotiation and bargaining is made difficult, if not impossible, there is no elasticity to the field in which a

Conciliation Board can operate, and the proceedings tend to result, as here, in a stalemate.

This is not a new result where mass bargaining on a national scale is attempted. The same thing happened in the case of the last Conciliation Board appointed to consider rail problems. The same thing has happened repeatedly in the United States where bargaining on a nation-wide scale was attempted. The tendency, both here and in the United States, is to resolve by government action the stalemate created by the failure of the bargaining process.

These statements are not to be construed as a criticism of the organization of labour unions into large groups. This may well be an inevitable consequence of modern industrial trends. The Board has no criticism to make of anybody, and no solution to suggest. What the Board has tried to do is to present, as objectively as possible, some of the practical defects of mass bargaining.

Respectfully submitted.

(Sgd.) J. O. WILSON,  
*Chairman.*

(Sgd.) T. R. MEIGHEN,  
*Member.*

Dated at Montreal the 11th day of April, 1950.

### Minority Report

HON. HUMPHREY MITCHELL,  
Minister of Labour,  
Ottawa, Ontario.

DEAR SIR:

The particulars regarding the parties concerned in this dispute are fully set out in the majority report of the Chairman concurred in by the third member Mr. Theodore Meighen. I will therefore confine my report to the points on which I differ from the position taken by the majority.

The importance of the dispute and the far reaching effects of any settlement arrived at have been stressed by the Chairman in public and in private.

He has also taken the position from the beginning that the two cases, now in dispute, are fundamentally the same and that any settlement arrived at in one case would automatically apply to the other.

While not dissenting from this view the CBRE and OTW have consistently maintained that their case should be judged upon its merits, apart from any other disputes now pending. In this view I concur and I believe that the Chairman has allowed the conditions existing among some of the AFL groups to dominate the overall picture to the detriment of the CBRE and OTW.

The dispute arose out of three demands made by the unions upon the railway companies: (1) For an increase of ten cents per hour for all categories; (2) For a reduction in working hours, from 240 to 208 hours per month for monthly employees; and for a five-day, forty-hour week for hourly paid employees, with the same "take home" pay; and (3) For the "check-off" of union dues from all workers covered by these agreements.

The basis of the first demand was the inadequacy of the income of the lower paid classifications to maintain a family in health and decency. The support for this claim was a report of the Toronto Welfare Council made in 1949—*A Guide to Family Spending in Toronto*, which showed that an income of \$49 per week was necessary to maintain a family of five in health and decency, with no allowance for medical or dental care, or insurance.

Admittedly the incomes of many railway employees are less than this but the answer of the railways was that lots of workers in Toronto were not getting it and besides every family did not have five members.

The second demand, for a reduction in working hours, affects two groups: those working by the month, and those working by the hour or the day. The first group includes sleeping and dining car men, many of whom have trips lasting forty hours so that a return trip makes it necessary for them to be away from home for four or five days. These men have to put in 240 hours per month which is an average of eight hours for every day in the month. A reduction to 208 hours per month would mean an average of eight hours per day for 26 days, surely enough for this day and generation.

Among the hourly paid workers there is quite a wide diversity of hours. Many of the clerical staffs work less than forty-four hours per week but the work is spread over six days. Their demand is for a five-day week, which is now quite common for similar workers in all large centres.

The union maintains that in many cases the adoption of the five-day week for this group will not involve any increase in staff as the established groups can do the work in the shorter time due to increased efficiency.

Other groups in occupations which are necessarily carried on on six or seven days are also asking for the five-day week which would involve the use of relief men.

The attitude of the railways was that any and all of the demands of the unions were impossible. They would not admit that the hours of the monthly men were

at all excessive. They emphasized the difficulty of providing relief for some of the men who now work six days, and the additional cost which would result. The possibility of increased efficiency making up for shorter hours was not taken seriously and it was impossible to get them to discuss anything.

I recommend that the demands of the Union for the 208-hour month for road men be granted. For all others whose contractual hours are now 48 per week I recommend that it be reduced to 40 hours per week. In both cases with the same take-home pay.

The demand for a straight increase in pay is more difficult to deal with owing to the existence of long standing differentials. The evidence submitted by the union showed that increases in rates of pay of their members in many cases lagged behind the cost of living and that over a period from 1939 to 1949 their *real* wages several times decreased. It was also established that relative to other groups in the industrial world their economic position deteriorated. Or to put it another way: other industrial groups with comparable wage levels made greater progress, that is, received, or enjoyed greater increases in real wages than the union men did.

Admittedly some of their members have done well through the increases of pay over the last few years. There is not the same case for increasing their pay as there is for increasing the pay of those in the lower income classifications.

Since the indications are that the cost of living has reached the peak and can be expected to decline, the position of the men should improve in inverse proportion.

I therefore recommend that no general increase of pay be granted and that the parties be encouraged to negotiate regarding the lower paid classifications with a view to their improvement.

The case of the water transport employees has received special treatment by the railways. They maintain that conditions in water service are different from those on land and therefore those engaged in it should not be dealt with on the same basis.

It is hard to see the force of this argument where the water services mentioned bridge a gap in the rail lines and are an integral part of the transportation system.

The hours in many instances are long and the working conditions, as compared with other groups in the same service, are inferior.

I would recommend that the railways and the union be advised to negotiate further

with the object of making working conditions, that is, days off, holidays, etc. the same for all classifications among the crew.

The inclusion of hotel employees in the demand for increased wages and shorter working hours brought the rejoinder from the railways that the operation of hotels is a distinct and separate undertaking.

Whether this is true is probably a matter for debate but it does not preclude the right of the hotel employees to make demand for more pay and shorter hours.

The evidence about wages paid in railway-owned, as compared with other hotels was inconclusive but it indicated that the employees in railway-owned hotels were as well off as others in similar occupations.

I therefore recommend that the working week be reduced to 44 hours with the same weekly "take home" pay.

The request of the union for the "check-off" of union dues was not seriously discussed on its merits. It is worth while recording that in the United States, under the Taft-Hartley Act, when a majority of the men vote in favour of the check-off the employer must grant it. It would be a great convenience to the union and they have offered to reimburse the railway companies for the cost of the service, so there does not seem to be any good reason why the request should be refused. The companies are doing this now for some unions but they refuse to do it for the CBRE and OTW.

I recommend that the request for check-off be granted.

The companies' request for revision of working rules was manifestly a bargaining demand. I concur in the recommendation of the Chairman that the parties negotiate these matters directly.

In conclusion I wish to record my gratification at the good spirit existing between the parties and the courtesy marking the intercourse between them at the hearings.

This makes it the more regrettable that the railway companies refused to do anything more than to deny any and every request made by the unions. They refused to admit that there was anything to be said for any of the claims, or requests made by the employees, so that there was no chance for discussion of any of the points in dispute.

Respectfully submitted,  
(Sgd.) JAS. A. COOTE,  
Member.

Dated at Montreal the 12th day of April, 1950.

# COLLECTIVE AGREEMENTS AND WAGE SCHEDULES

## Recent Collective Agreements

A file of collective agreements is maintained in the Economics and Research Branch of the Department of Labour. These are obtained directly from the parties involved and through the Industrial Relations Branch of the Department. A number of those recently received are summarized below.

Agreements made obligatory under the Collective Agreement Act in Quebec are summarized in a separate article following this.

### Manufacturing

#### Textiles and Clothing

WOODSTOCK, ONT.—FIRESTONE TEXTILES LIMITED AND UNITED TEXTILE WORKERS OF AMERICA, LOCAL 115.

Agreement to be in effect from February 2, 1950, to February 2, 1951, and thereafter from year to year, subject to notice. The company recognizes the union as the exclusive voluntary bargaining agency for all eligible employees. There shall be no discrimination, interference, intimidation, restraint or coercion because of membership or non-membership in the union.

*Check-off:* both parties agree to the continuance of the voluntary, irrevocable check-off of union dues.

*Hours:* 9-6 per day 5 days a week, a 48-hour week. *Overtime:* time and one-half for all work in excess of these hours and for work on Sundays; double time for work on 8 specified *paid holidays* (previous agreement provided for 6 paid holidays). If and when during the life of this agreement the company finds it possible to place all employees on a 45-hour basis the regular shift hours shall be 9 hours per day and 45 hours per week, with overtime at time and one-half for all hours worked in excess of these hours.

*Vacations with pay:* one week to employees having less than 5 years' seniority, two weeks to employees with 5 or more years' seniority, with pay equal to 2 per cent and 4 per cent respectively of employee's total earnings during preceding year.

*Hourly wage rates* are increased by 5 cents over the rates previously in effect. The following are the rates for certain classes: Carding department—picker man 89 and 98 cents, waste machine oiler (youth) 74 cents, card grinder fixer 96 cents, card stripper and tenders 91 cents; roving doffer, male 86 cents, female 74 cents; roving piler 86 cents, sweeper oiler (youth) 74 cents, machine fixers 91 cents to \$1; learners, male 73 cents, female and youth 60 cents. Spinning department—band man 89 cents, roving piler 74 and 86 cents. Spooling and warping department—warper tenders 75 cents, B.C. yarn man 89 cents, warper creel man 88

cents, tailing hand, sweeper yarn trucker (youth) 74 cents. Twisting department—ply doffers, male 86 cents, female 74 cents; beamers, cable twister tenders 93 cents, cable doffers 88 cents, machine cleaners, oilers 86 cents; tape boy, yarn reclaimers 74 cents. Weaving department—cable respoolers, cloth baler 88 cents; weavers 93 cents, splicers 74 cents, tying-in hands 76 to 83 cents. Velon department—weaver 93 cents; inspectors, quillers, battery hand, helper (youth) 74 cents; measure-o-graph operator 79 cents. Shop and warehouse—janitor 83 cents, general maintenance 95 cents to \$1.13, elevator man 86 cents, warehouse checker 91 cents, warehouse truckers 89 cents. Hiring rates—male 73 cents, female and youths (under 18) 60 cents.

A *night shift premium* of 5 cents per hour will be paid for all work from 6 p.m. to 6 a.m.

Provision is made for *seniority rights* and *grievance procedure*.

WINDSOR, ONT.—CANADIAN AUTOMOTIVE TRIM LIMITED AND THE INTERNATIONAL UNION, UNITED AUTOMOBILE, AIRCRAFT AND AGRICULTURAL IMPLEMENT WORKERS OF AMERICA, LOCAL 195.

Agreement to be in effect from January 1, 1950, to December 31, 1950, and thereafter from year to year, subject to notice. The company recognizes the union as the sole bargaining agent for all eligible employees.

*Check-off:* the "Rand Formula" is part of the agreement.

*Hours of work:* 40 per week. *Overtime* at time and one-half will be paid for work in excess of 40 hours in any one week; double time for work on 6 specified *paid holidays*.

*Vacations with pay:* employees with less than one year's seniority one week with pay based on 2 per cent of wages earned during the preceding year; employees with one year's but less than 5 years' seniority one week with pay based on 2½ per cent of wages; after 5 years' service employees will receive 2 weeks' vacation with pay based on 4 per cent of wages earned during the preceding year.

*Hourly wage rates*, effective February 6, 1950: assemblers \$1.15, carpenter \$1.51; clerk, male \$1.23, female \$1.14; cafeteria help \$1.01; cutters and layers (cotton) \$1.15, "A" (cloth) \$1.32, "B" (cloth) \$1.22; electrician \$1.61, helper \$1.15; floor help (female) \$1; garnett repairman (cotton) \$1.28, helper \$1.22; hopper tender (cotton) \$1.18; inspectors, male \$1.15, female \$1; machinists \$1.41 and \$1.61, millwrights \$1.28 and \$1.36; multiplate operator \$1.29, helper \$1.17; oiler \$1.15, painter \$1.36, pattern maker \$1.26 and \$1.36, pickerman (cotton) \$1.20, sewing machine operators \$1.06 to \$1.18, sewing machine repairmen \$1.18, sweepers \$1.08, stockman \$1.18, tinsmith \$1.51, tool crib attendant \$1.14, truck driver \$1.18; vulcanizer operator \$1.20, helper \$1.15.



# COLLECTIVE AGREEMENTS AND WAGE SCHEDULES

## Recent Collective Agreements

A list of collective agreements is given below, with the names of the employers and the unions. The agreements are listed in chronological order, with the date of the agreement in parentheses. The agreements are listed in alphabetical order by employer's name.

The following agreements were made in 1940:

### Manufacturing

#### Automotive Industry

**General Motors Corp.** (1940) - **United Auto Workers** (UAW)

The agreement provides for a 10% wage increase over the previous year, and for a 5% increase in the cost-of-living allowance. It also provides for a 5% increase in the pension plan, and for a 5% increase in the health insurance plan. The agreement also provides for a 5% increase in the vacation pay, and for a 5% increase in the sick pay.

**Ford Motor Co.** (1940) - **United Auto Workers** (UAW)

The agreement provides for a 10% wage increase over the previous year, and for a 5% increase in the cost-of-living allowance. It also provides for a 5% increase in the pension plan, and for a 5% increase in the health insurance plan. The agreement also provides for a 5% increase in the vacation pay, and for a 5% increase in the sick pay.

**Chrysler Corp.** (1940) - **United Auto Workers** (UAW)

The agreement provides for a 10% wage increase over the previous year, and for a 5% increase in the cost-of-living allowance. It also provides for a 5% increase in the pension plan, and for a 5% increase in the health insurance plan. The agreement also provides for a 5% increase in the vacation pay, and for a 5% increase in the sick pay.

The agreement provides for a 10% wage increase over the previous year, and for a 5% increase in the cost-of-living allowance. It also provides for a 5% increase in the pension plan, and for a 5% increase in the health insurance plan. The agreement also provides for a 5% increase in the vacation pay, and for a 5% increase in the sick pay.

**Studebaker Corp.** (1940) - **United Auto Workers** (UAW)

The agreement provides for a 10% wage increase over the previous year, and for a 5% increase in the cost-of-living allowance.

**Wheeler Corp.** (1940) - **United Auto Workers** (UAW)

The agreement provides for a 10% wage increase over the previous year, and for a 5% increase in the cost-of-living allowance.

**Wheeler Corp.** (1940) - **United Auto Workers** (UAW)

The agreement provides for a 10% wage increase over the previous year, and for a 5% increase in the cost-of-living allowance.

**Wheeler Corp.** (1940) - **United Auto Workers** (UAW)

The agreement provides for a 10% wage increase over the previous year, and for a 5% increase in the cost-of-living allowance.

**Wheeler Corp.** (1940) - **United Auto Workers** (UAW)

The agreement provides for a 10% wage increase over the previous year, and for a 5% increase in the cost-of-living allowance.

**Wheeler Corp.** (1940) - **United Auto Workers** (UAW)

The agreement provides for a 10% wage increase over the previous year, and for a 5% increase in the cost-of-living allowance.

**Wheeler Corp.** (1940) - **United Auto Workers** (UAW)

The agreement provides for a 10% wage increase over the previous year, and for a 5% increase in the cost-of-living allowance.

**Wheeler Corp.** (1940) - **United Auto Workers** (UAW)

The agreement provides for a 10% wage increase over the previous year, and for a 5% increase in the cost-of-living allowance.

**Wheeler Corp.** (1940) - **United Auto Workers** (UAW)

The agreement provides for a 10% wage increase over the previous year, and for a 5% increase in the cost-of-living allowance.

**Wheeler Corp.** (1940) - **United Auto Workers** (UAW)

The agreement provides for a 10% wage increase over the previous year, and for a 5% increase in the cost-of-living allowance.

**Wheeler Corp.** (1940) - **United Auto Workers** (UAW)

The agreement provides for a 10% wage increase over the previous year, and for a 5% increase in the cost-of-living allowance.

**Wheeler Corp.** (1940) - **United Auto Workers** (UAW)

Gov. Doc  
Can  
B

522198

Canada. Board of Conciliation and Investigation  
Report of Board in dispute between Canadian  
National Railways, Canadian Pacific Rail-  
way Company, Ontario Northland Railway, and  
Toronto, Hamilton and Buffalo Railway Company,  
and Order of Railroad Telegraphers ... [1950]

DATE

NAME OF BORROWER

University of Toronto  
Library

DO NOT  
REMOVE  
THE  
CARD  
FROM  
THIS  
POCKET

Acme Library Card Pocket  
LOWE-MARTIN CO. LIMITED

